Before the Federal Communications Commission Washington, D.C. 20554

In the Matter of)	
CenturyLink Communications, LLC f/k/a Qwest Communications Company, LLC,)))	
Complainant, v.)	Docket No. 18-33 File No. EB-18-MD-001
Verizon Services Corp.; Verizon Virginia LLC; Verizon Washington, D.C., Inc.; Verizon Maryland LLC; Verizon Delaware LLC; Verizon Pennsylvania LLC; Verizon New Jersey Inc.; Verizon New York Inc.; Verizon New England Inc.; Verizon North LLC; Verizon South Inc.,))))))	
Defendants.)	

CENTURYLINK COMMUNICATIONS, LLC'S REBUTTAL TO VERIZON'S SURREPLY

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SUMMARY

Pursuant to the May 18, 2018 Letter Order, CenturyLink Communications, LLC ("CenturyLink") hereby responds to the Sur-Reply filed by Verizon on May 9, 2018 (the "Sur-Reply"). As discussed further below, Verizon's Sur-Reply suffers from the following key deficiencies:

- Verizon's "supplemental" Sur-Reply declarations are riddled with erroneous contract interpretations and misstatements of fact, and fail to rebut the plain evidence of both Verizon's errors and the scope of the related overcharges.
- CenturyLink's Reply simply updated the overcharge amount attributable to Category 1 in order to apply Verizon's preferred approach to the calculation as set forth in Verizon's Answer. There is no legal or factual support for Verizon's subsequent reversal and assertion that updating the calculation consistent with Verizon's own Answer somehow generated "new" claims that are retroactively time barred.
- Consistent with the filed rate doctrine, the service agreements do permit the flexible resolution of disputes to give effect to the flat rates, regardless of whether those refunded overcharges are characterized as "billing credits." CenturyLink has pointed this out on the record for years.

¹ CenturyLink's response is limited to the arguments specifically raised by Verizon in its Sur-Reply, which are wrong as set forth herein. Nonetheless, for the avoidance of doubt CenturyLink reaffirms and incorporates by reference its Formal Complaint and its Reply, which further explained and detailed the scope of Verizon's errors, and how Verizon cannot use its subjective and overly restrictive interpretation of the agreements to overcharge CenturyLink in violation of the tariff rates and the filed rate doctrine.

I. VERIZON'S SUR-REPLY LACKS SUPPORTING EVIDENCE AND FAILS TO REBUT THE MATTERS PROVEN IN CENTURYLINK'S REPLY.

CenturyLink's Reply confirmed that Verizon committed extensive errors in breach of the agreements throughout the course of the parties' contractual relationship, and Verizon's Sur-Reply does not contend otherwise.² Rather, Verizon now suggests that CenturyLink's Reply improperly advanced a "new" argument that the Service Agreements allow CenturyLink to recover overcharges for Verizon's errors even if those overcharges are not treated as "Billing Credits." In actuality, the Service Agreements themselves expressly permit this, and CenturyLink has reiterated this point for years. Furthermore, CenturyLink has also repeatedly explained that the Service Agreements expressly interconnect with related agreements, namely the Master Services Agreement and its Attachments, in a way that reinforces how the flexible dispute resolution procedures in the agreements should be read to give effect to the filed rate CenturyLink would have received absent Verizon's errors.⁴ As discussed below, CenturyLink's longstanding position that CenturyLink must receive appropriate refunds for Verizon's errors in order to achieve the filed rates, even if those refunds are not termed "Billing Credits," is entirely consistent with both the governing agreements and with the filed rate doctrine itself. By contrast, Verizon's position that its errors are somehow protected by a narrow reading of only one dispute provision (while ignoring the others) conflicts with both the agreements and with the filed rate doctrine itself.⁵

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² CenturyLink Reply Legal Analysis, at 4.

³ Verizon Sur-Reply Legal Analysis, at 1-2.

 $^{^4}$ See, e.g., Formal Complaint, $\P\P$ 111-113; see also Reply Legal Analysis, at 17-23.

⁵ In effect, Verizon is compounding its threshold breaches of the agreements via erroneous circuit counts with its efforts to undermine the backend dispute resolution contract language. By contrast, CenturyLink is requesting that the contracts be enforced, including language allowing for dispute resolution, and that CenturyLink accordingly receive the rates it should have absent those errors, consistent with the filed rate doctrine. *See*, *e.g.*, Formal Complaint, Legal Analysis,

As far back as 2016, CenturyLink explained to the Commission that "[c]ontrary to Verizon's unduly-restrictive reading of the agreements' dispute-resolution provisions, they acknowledge numerous instances in which amounts owed due to Verizon's errors can and should be refunded to [CenturyLink], whether or not defined as 'billing credits.'" Specifically, the 2009 Service Agreement and its related contract tariff expressly contemplate the resolution of "disputes raised after the determination of the Billing Credits," whereby "amounts may be credited to [CenturyLink] if [CenturyLink] prevails" even if there is no adjustment to the Billing Credits themselves. In other words, the arguments expressly contemplate the resolution of valid disputes even if the Billing Credits themselves are not altered.

As a result, Verizon's professed concern about being able to "close the books" on a particular quarter (and its previous hand-wringing about "finality" in Billing Credits) is no bar at all to the proper administration of the filed rates. Indeed, CenturyLink's Formal Complaint does not request that Verizon go back and rescind, adjust, or re-issue historical Billing Credits, or otherwise unwind other aspects of the (now expired) agreements related to those Billing Credits. Rather, CenturyLink simply requests that Verizon "refund to CenturyLink the overcharged"

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at 27 ("To be clear, Century Link is not seeking to modify the agreements or contract tariffs, but rather requests that the Commission <u>enforce</u> the Parties' agreements and the tariffs ...") (emphasis in original); Reply Legal Analysis, at 20 & n.59; 39-43.

⁶ CenturyLink Reply to Verizon Response to Notice of Informal Complaint, File No. EB-16-MDIC-0015 (November 18, 2016), at 14-15. CenturyLink affirmed this position in its Formal Complaint and its subsequent Reply. *See*, *e.g.*, Formal Complaint, ¶ 109; Legal Analysis in Support of Formal Complaint, at 22-23; Reply Legal Analysis, at 17-18.

⁷ CTL Ex. 3, 2009 Service Agreement, Ex. B, § 7(e)(v); Tariff No. 1, § 21, Option 57, Original Page 21-754. The 2014 Service Agreement further provides for "situation[s] where Verizon applies a Billing Credit that does not match the mutually agreed upon credit amount." Formal Complaint, ¶ 109 (citing CTL Ex. 5, 2014 Service Agreement, Ex. B § 8(f)).

amount ... pursuant to the tariffs and filed tariff doctrine ..."⁸ This is again consistent with the agreements, as well as with the extensive case law holding that carriers must refund overcharges in excess of their tariffs based on their errors.⁹ It is also consistent with CenturyLink's past practice of "concurring" (albeit under duress) with the basic calculation of Verizon's Billing Credits, and then seeking additional amounts to be credited to CenturyLink based on an analysis of Verizon's errors even if there is no adjustment to the Billing Credits themselves.

Moreover, as CenturyLink explained in its Reply, Verizon has since admitted that the agreements contain ambiguities, as well as a significant degree of flexibility in the dispute process. ¹⁰ Consequently, Verizon's efforts to dismiss the governing dispute provisions in this one particular instance conflict not only with the agreements, the rates the parties bargained for and the filed rate doctrine itself, but also with the basic rules of contract construction. ¹¹ At the

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⁸ See Formal Complaint, ¶ 147 (Prayer for Relief); Legal Analysis, at 30 ("... CenturyLink respectfully requests that the Commission find Verizon's practices in violation of Sections 201(b) and 203(c) of the Act, and order Verizon to remit all sums due as a result of those violations.").

⁹ See, e.g., Reply Legal Analysis, at 8-9 (further explaining that Verizon failed to address let alone rebut these authorities); 36 & n.105 (explaining that this resolution of issuing refunds would not affect the formula calculations, contrary to Verizon's claims).

¹⁰ See, e.g., Reply Legal Analysis, at 17 & n.51 (discussing how Verizon has admitted the agreements contain ambiguities, and those ambiguities should not be resolved in a way that undermines either the flat rates CenturyLink bargained for under the filed rate doctrine, or the interwoven dispute resolution mechanisms); *id.*, at 27-30 (discussing Verizon's new position that the 30-day period Verizon had previously applied to deny CenturyLink's disputes did not in fact bar those disputes).

¹¹ Reply Legal Analysis, at 18 n.53 (explaining that Verizon's efforts to read the dispute language out of the 2009 tariffs violate the rule against surplusage, under which each term must have meaning and not be interpreted as superfluous or meaningless). Verizon now attempts to evade these canons of construction by arguing there is a "temporal distinction" between the dispute provisions, based on its interpretation that there is supposedly a "30-day cut off for 'Disputed Charges'" even though "Disputed Charges" are those under dispute "as of the 30th calendar day following the end of the Applicable Quarter." Sur-Reply Legal Analysis, at 4. CenturyLink's point, however, is that the agreements allow for the resolution of disputes, including as either Disputed Charges or "disputes raised after the determination of the Billing"

end of the day, there is no need for the Commission to even enter Verizon's maze of dubious contract interpretations and omissions. An order simply directing Verizon to refund its overcharges to CenturyLink would resolve this matter expeditiously, and do nothing more than uphold the flat rates under the filed tariff doctrine and give effect to the bargain the parties struck before Verizon committed and refused to correct its errors.

II. CENTURYLINK'S UPDATED CALCULATIONS FOR OVERCHARGES IN DISPUTE CATEGORY 1 ARE PROPERLY BASED ON NEW INFORMATION PROVIDED BY VERIZON IN ITS ANSWER.

One of the longstanding claims in this matter is Dispute Category 1, regarding how

Verizon incorrectly included certain DS3 CLF circuits in its circuit counts that did not actually
qualify as "units" under the 2009 and 2014 Service Agreements. Over the past four years,

CenturyLink has repeatedly explained that Verizon charged CenturyLink at the DS0 level on a
monthly basis, but then erroneously counted as "units" a large number of \$0 DS3 CLF circuits in
the FMS LATAs for the purposes of the billing credits. As CenturyLink also explained in its

Formal Complaint, it would have been justified in taking the position that CenturyLink was
entitled to recover overcharges that did not include any such DS3 CLF units at all. In other

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Credits," the latter in the form of credits or refunds back to CenturyLink even if the Billing Credits themselves are not altered or "adjusted." Verizon's restrictive interpretation and misleading fixation on purported "adjustments" to the Billing Credits would read that latter language out of the contract entirely, begging the question of what exactly is meant by "disputes raised after the determination of the Billing Credits," if not what CenturyLink has proposed. The proper reading, and one that gives effect to both the contract language and the filed rates, is that CenturyLink is permitted to bring disputes raised after the determination of the Billing Credits, even if the Billing Credits themselves are not altered or "adjusted."

¹² See Informal Complaint, at 4; Formal Complaint, ¶¶ 40-47.

¹³ See CenturyLink Reply to Verizon Response to Informal Complaint (Nov. 18, 2016), at 4-5; see also Formal Complaint, ¶¶ 42-43.

¹⁴ Formal Complaint, ¶ 43.

words, under a strict reading of the tariffs <u>none</u> of the erroneous DS3 CLF circuits should have been included in the quarterly calculations.¹⁵

Nonetheless, CenturyLink felt that out of fairness Verizon should still receive some sort of compensation based on Verizon's provision of the actual DS0 circuits that were used, its other errors notwithstanding. As a result, CenturyLink calculated a DS3 CLF "equivalent" count by dividing the number of DS0s by 672 (since a DS3 is comprised of 672 DS0s), and then subtracted that number of DS3 equivalent units from the total number of erroneous \$0 DS3s that Verizon billed CenturyLink -- reducing the total amount of the overcharges Verizon owed for this category. CenturyLink has also explained this for years. 17

In the world of Verizon billing disputes, however, no good deed goes unpunished. In its Answer, Verizon attacked CenturyLink's use of this back end equivalency formula even though it was to Verizon's benefit, including claiming that the 2009 and 2014 Services Agreements "contain no support for CenturyLink's DS3-equivalency calculations" and that utilizing an equivalency formula is improper. Accordingly, in its Reply, CenturyLink granted Verizon's wish, agreeing that the DS0-equivalent capacity was already being included in Verizon's DS1 unit counts, which Verizon had never previously provided prior to its Answer. Specifically, Verizon had not previously told CenturyLink which DS1 circuits it was counting as DS1 units,

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Complaint, ¶ 44.

¹⁵ *Id*. ¶ 43.

¹⁶ *Id*. ¶¶ 43-44.

¹⁷ See CenturyLink Reply to Verizon Response to Informal Complaint (Nov. 18, 2016), at 4 (explaining that, by way of example, in a particular month Verizon had **[[BEGIN**]

¹⁸ Answer, at ¶¶ 43-44.

¹⁹ Reply Legal Analysis, at 46-47.

thus preventing CenturyLink from auditing the DS1 unit count.²⁰ Eliminating the DS3-equivalency offset based on Verizon's own position in its Answer, as well as its newly provided DS1 information, unsurprisingly resulted in an upward adjustment of the Category 1 overcharge amount.²¹

Faced with the consequences of its own argument, Verizon now falsely claims that CenturyLink seeks completely "new" overcharges with respect to dispute Category 1.²² To the contrary, rather than "abandoning" this category of disputes, CenturyLink continues to seek the recovery of overcharges based on Verizon's erroneous DS3 CLF "unit" counts, consistent with its Informal Complaint and earlier disputes.²³ While the amount of the overcharge has increased due to Verizon's own position, that does not alter the nature of the dispute category nor the related cause of action. As specifically explained in CenturyLink's Reply, prior to its Answer Verizon had never previously provided the DS1 circuit level detail to allow CenturyLink the ability to audit the DS1s at the circuit level.²⁴ Accordingly, CenturyLink's updated overcharge calculations for Category 1 were simply based on the new information in Verizon's Answer.²⁵

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²⁰ *Id.* Verizon provided no DS1 circuit-level detail under the 2009 Service Agreement. Under the 2014 Service Agreement (at issue for the months of March through June 2014), Verizon provided circuit level detail for a small number of DS1 units without mileage but no detail for DS1 units with mileage. *See, e.g.*, Declaration of Tiffany Brown ("Brown Decl.") ¶¶ 12-13. ²¹ Reply Legal Analysis, at 47.

²² Verizon Motion, at 2; Sur-Reply Legal Analysis, at 4-5.

²³ Reply Legal Analysis at 43-47; *see also* Reply Declaration of Tiffany Brown ("Brown Reply Decl.") ¶ 53, 57 ("Applying the interpretation of the agreements that Verizon prefers, Verizon owes CenturyLink ... for the DS3 CLF circuits that were improperly counted as units in the FMS LATAs in Dispute Category 1.") (emphasis added).

²⁴ Brown Reply Decl. ¶ 53.

²⁵ Although Verizon suggests CenturyLink did something untoward in responding to Verizon's new information, CenturyLink had sought and obtained a waiver of 47 C.F.R. § 1.726(a) to "ensure [CenturyLink] is able to properly respond to specific factual allegations ... <u>Verizon may</u> make for the first time in its answer that are not specific to affirmative defenses, resulting in a

Verizon's cursory arguments that Category 1 is nonetheless somehow time barred or does not relate back to the Informal Complaint due to Verizon's own about face are simply wrong. CenturyLink's cause of action in Category 1 remains the same and demonstrably relates back to both the Informal Complaint and its previously filed disputes. The only thing that has changed is the dollar amount of the Category 1 overcharge calculation based on those same historical Verizon "unit" count errors, updated due to Verizon's own criticism of the offsetting equivalency formula it had benefited from. In any event, given CenturyLink's long experience with these matters, Verizon's bait-and-switch plan regarding this category was not difficult to foresee. CenturyLink anticipated that after it updated its calculations based on Verizon's own Answer that Verizon would then attempt to retreat from its latest argument regarding Category 1. CenturyLink accordingly and expressly did not waive, withdraw, or otherwise dismiss its claims including Category 1 while updating the overcharge amount based on Verizon's own position

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more complete record and a more efficient proceeding." *See* Feb. 9, 2018 Letter Order (emphasis added).

²⁶ See Informal Complaint, at 4; Formal Complaint, ¶¶ 40-47; Reply Legal Analysis, at 43-47; see also Brown Reply Decl. ¶¶ 43-57.

²⁷ Notably, Verizon cites only one case for its assertion that a supposed "change in position" (which here is not a change in position but simply updating an overcharge calculation based on Verizon's own argument) would retroactively render timely filed disputes untimely under Section 415(c). Sur-Reply Legal Analysis, at 6. That case of course says nothing of the sort. See PAETEC Commc'ns, Inc. v. MCI Commc'ns Servs., Inc., 712 F. Supp. 2d 405, 418 (E.D. Pa. 2010) (where court found in favor of LEC for one category of charges, and could not determine whether other carrier's disputes related to that category or a separate rate, it upheld as timely those disputes it could determine related to overcharges for the latter rate, and permitted more briefing on the former). Again, there has been no change of position. CenturyLink's Category 1 dispute remains based on Verizon's errors in improperly counting DS3 CLF circuits as "units," and there is no genuine factual dispute that its claims remain timely. Verizon's other allegations, including that CenturyLink's longstanding claims are not for overcharges, are also wrong for the reasons already explained at length in CenturyLink's Formal Complaint, and Reply. See, e.g., Reply Legal Analysis, at 7-9.

and newly provided information.²⁸ Thus those claims remain viable regardless of whether and how Verizon continues to shift its position with respect to the propriety of CenturyLink's equivalency formula.²⁹ Failed maneuverings aside, Verizon should be held to account for its admitted errors in this category, in an overcharge amount based on its own rejection of the offsetting equivalency formula.

III. THE SUPPLEMENTAL DECLARATION OF PATRICIA MASON IS RIDDLED WITH ERRONEOUS CONTRACTUAL INTERPRETATIONS AND INACCURACIES.

Verizon's Sur-Reply also includes a "supplemental" declaration by Patricia Mason, as well as one by Anna McDermott. Although Verizon claims Ms. Mason's declaration is warranted by assertions that supposedly were raised for the first time in the Reply Declaration of Tiffany Brown, as discussed below each issue raised by CenturyLink had been previously provided to Verizon or was based on information provided by Verizon in its Answer.³⁰

A. Ms. Mason Misconstrues CenturyLink's DS3 CLF FMS Arguments.

As noted above, CenturyLink continues to seek the recovery of overcharges based on Verizon's erroneous DS3 CLF "unit" counts, and merely adjusted the amount of the Category 1 overcharges in reliance on Verizon's own position and the new information it provided in its

²⁸ See Reply Legal Analysis, at 47 n.150; see also Brown Reply Decl. ¶ 57 & n. 59 ("By updating these calculations based on Verizon's arguments and new information provided in Verizon's Answer, I am not waiving, withdrawing, or otherwise dismissing CenturyLink's disputes and claims.") (emphasis added).

²⁹ Verizon also falsely asserts that Category 1 has now somehow been "refashioned." Sur-Reply Legal Analysis, at 6. As consistently explained in CenturyLink's pleadings, and again above, the equivalents at issue were <u>subtracted</u> from the overall overcharge amounts to Verizon's benefit, and no aspect of the underlying Category 1 dispute has changed based on CenturyLink's application of Verizon's own view that those equivalents should not have been subtracted. The overcharges in Category 1 remain those based on Verizon's erroneous DS3 CLF "unit" counts.

³⁰ Sur-Reply Declaration of Patricia Mason ("Mason Sur-Reply Decl.") ¶ 1.

Answer.³¹ Verizon's assertion that this information was previously in CenturyLink's possession in the form of CSRs and USOCs on Verizon's monthly invoices is false.³² For CenturyLink to have been aware of Verizon's FMS DS1 unit count, CenturyLink would have required circuit-level detail for DS1 unit counts from Verizon in the form of its quarterly tracking reports, details that Verizon did not provide.³³

Ms. Mason also grossly mischaracterizes Ms. Brown's Reply Declaration regarding Qualifying DS3 CLF Units under the 2009 Service Agreement.³⁴ Ms. Brown expressly stated that the DS3s did not bill any of the USOCs required in the agreements and tariffs to qualify as a "Billed DS3 CLF Unit" or "DS3 CLF Qualifying Services," while acknowledging that the DS1s that rode those DS3s did constitute Qualifying DS1 Units.³⁵ The charges in Verizon Exhibits 55-59 did not have Class of Service-USOC combinations that met the criteria for "Qualifying DS3 CLF Service" under the 2009 Agreement because the DS3s did not bill any of the qualifying USOCs required by the agreement and tariffs.³⁶

Ms. Mason's statement that nonetheless "Verizon showed the DS3 rate elements under the lower-level DS1 identifiers riding the DS3 facility" is also mistaken.³⁷ The Service Agreements are clear that a DS3 unit has to be a DS3.³⁸ Verizon is essentially saying that it can

³¹ Brown Reply Decl. ¶ 53.

³² Sur-Reply Legal Analysis, at 5 n.27.

³³ Brown Reply Decl. ¶ 98. Beginning in 2014, CenturyLink requested DS1 circuit-level detail from Verizon. Verizon resisted providing this information but, after persistent CenturyLink requests, relented and provided full DS1 circuit-level detail for only one of 48 months. *See id.*

³⁴ Mason Sur-Reply Decl. ¶ 2.

³⁵ Brown Reply Decl. $\P\P$ 49-50.

³⁶ Brown Reply Decl. ¶¶ 49-50.

³⁷ Mason Sur-Reply Decl. ¶ 2.

³⁸ For example, the 2009 Service Agreement defines a DS3 CLF Unit as "an individual Qualifying Service circuit of bandwidth 44.736 Mbps[.]" *See* CTL Ex. 3, 2009 Service Agreement, Ex. B, § 2.

charge for any circuit identifier, whether allowed under the agreements or not, yet unilaterally determine that such circuit should be counted as a unit under the Service Agreements. A proper interpretation of the agreements is that Verizon's unit count must be tied to the actual provision of services as documented by its invoices. In reality, Verizon billed these charges on the DS1 circuit IDs, and not one of them was billed on DS3 circuit IDs.³⁹ Without consistency and a rational basis for counting circuits as units, Verizon's contract interpretation makes no sense.

Ms. Mason also incorrectly states that, despite billing for DS1 services, the correct service designation was DS3, because the DS1s rode DS3 circuits. ⁴⁰ However, the USOCs that billed on the DS1 circuits were for DS1 services, not DS3 services. This is proven by the rate that was charged (the DS0 rate), and by the fact that the charges billed 24 times. ⁴¹ The existence of a higher capacity facility, or CFA, of a DS3 does not make the charges billed on the DS1s qualify as "DS3 CLF Qualifying Services" because by definition, "DS3 CLF Qualifying Services" must bill on a DS3 circuit identifier. ⁴² Similarly, Ms. Mason is wrong in her assertion that when a DS1 rides slot 1 of a DS3, the charges are for DS3 services. ⁴³ In reality, the fact that the circuit billing the charges rides one slot on a DS3 further exemplifies that these charges were for DS1 services. ⁴⁴ By definition, a DS3 cannot ride a slot of another DS3. ⁴⁵

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³⁹ Brown Reply Decl. $\P\P$ 44-49.

⁴⁰ Mason Sur-Reply Decl. ¶ 3.

⁴¹ This multiplier was used because there are 24 DS0s in a DS1 circuit. Had these been charges for DS3s, they would be multiplied by 672 times the DS0-rate because there are 672 DS0s in a DS3.

⁴² Brown Reply Decl. ¶ 50; see CTL Ex. 3, 2009 Service Agreement, Ex. B, § 2.

⁴³ Mason Sur-Reply Decl. ¶ 4.

⁴⁴ Brown Decl. ¶ 27.

⁴⁵ Again, the 2009 Service Agreement defines a DS3 CLF Unit as "an individual Qualifying Service circuit of bandwidth 44.736 Mbps[.]" *See* CTL Ex. 3, 2009 Service Agreement, Ex. B, § 2. A DS3 circuit with bandwidth of 44.736 Mbps logically cannot be a part of another DS3

Verizon's erroneous interpretations extend to its characterization of its own services.

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It is important to remember the purpose of the FMS service that CenturyLink subscribed to. Under FMS CenturyLink was obligated to pay only for the DS0s being utilized, and was not to be charged for the higher capacity DS3s that Verizon chose to use in their network design. Thus, Ms. Mason's statement that the FMS circuits were billing for two separate services is wrong, as CenturyLink should only have been charged for the provision of DS0 services aggregated into DS1 circuits—Verizon could and did count those DS1 circuits as qualifying units for billing credit purposes.⁴⁹

circuit with bandwidth of 44.736 Mbps, and there is nothing in the agreements to support such a proposition.

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⁴⁷ Mason Sur-Reply Decl. ¶ 5.

⁴⁸ Brown Reply Decl. ¶ 50.

⁴⁹ Mason Sur-Reply Decl. ¶ 6.

It makes little sense for Verizon to be able to charge for (i.e., count as a unit) each DS3 on which the DS0s rode. This is because Verizon could have chosen to use 100 DS3s for 100 DS1s or 5 DS3s for 100 DS1s.⁵⁰ Either way, CenturyLink would only pay for the 100 DS1s being utilized.⁵¹ Thus, CenturyLink would not be penalized by Verizon's internal network design choices. The network design under FMS was in Verizon's control; therefore, the FMS billing platform billed all of the DS3s at \$0, meaning that they could not qualify as units under the agreement.⁵² In contrast, under Special Access, where CenturyLink controlled the design of its own network, CenturyLink would pay for the DS3 services, not the DS1 services riding the DS3 slots. This means that under Special Access the charges are billed at the higher capacity facilities (DS3s), not the riders (DS1s).⁵³ Thus, in practical terms FMS is the opposite of Special Access. The FMS billing design was created by Verizon in order for Verizon to manage the FMS network on behalf of its customers without the customers paying a penalty for Verizon's network design choices. 54 Verizon's monthly invoices align with the regulations surrounding FMS billing; however, Verizon's error in counting both the DS1 and DS3 circuits as units does not.

Further, Verizon and Ms. Mason ignore the very intent behind Verizon's Facilities Management Service—FMS DS3s were supposed to be free to CenturyLink. That Ms. Mason takes issue with the underlying DS3 services being provided for free to CenturyLink evidences her misunderstanding of the parties' agreement.⁵⁵ Proof for the fact that FMS DS3s were

⁵⁰ Compl. ¶¶ 65-66; Brown Reply Decl. ¶ 85.

⁵¹ *See id.*

⁵² Brown Reply Decl. ¶¶ 43-53, 55-56, 85.

⁵³ See Brown Reply Decl. ¶¶ 91-92.

⁵⁴ Brown Reply Decl. ¶¶ 43-53, 55-56, 85.

⁵⁵ Mason Sur-Reply Decl. ¶ 7.

supposed to be free to CenturyLink is found in Verizon's monthly invoices, which billed the DS3s at [[BEGIN CONFIDENTIAL]]

[[END CONFIDENTIAL]] being utilized by CenturyLink.⁵⁶ This was the crux of the entire billing design for FMS.

The Service Agreements and tariffs did not change the design or intent of FMS services, but instead preserved the intent of providing the DS3s at zero cost under FMS. By including qualifications that a circuit had to have the proper Class of Service and USOC combination to qualify as a unit count, the intent of FMS was preserved. The DS3s did not bill a qualifying USOC. And, importantly, the DS1s did not have a DS3 Class of Service, and therefore did not qualify as DS3 CLF units. They should not have been counted by Verizon as DS3 CLF units in connection with the quarterly credit calculations.

B. Ms. Mason's Revised Analysis of Category 2 Circuits Is Also Unavailing.

Verizon is now claiming that these circuits had billing errors in its monthly billing invoices. So, even though Verizon counted the circuits in error, because they did not bill a qualifying USOC (a fact that Verizon tacitly admits), Verizon now claims that they should have been billing qualifying USOCs on the monthly invoices and that the count would have been valid if Verizon had billed the circuits properly from the beginning.⁵⁷ Thus, Verizon's arguments that its underbilling compensates for its errors in the quarter rests on the fact that its monthly invoices were riddled with errors—circumstances that CenturyLink had and has no control over.⁵⁸ The

⁵⁶ *See* Brown Reply Decl. ¶¶ 43-53, 55-56.

⁵⁷ Mason Sur-Reply Decl. ¶ 10.

⁵⁸ As noted above, the purported "new analysis of underbilled circuits" was not, in fact, new. Instead, it was a rejoinder to arguments and information provided by Verizon in its Answer, and simply involved calculation updates. Verizon had never before given a response at a circuit level to CenturyLink's dispute filings. Verizon's Response was the first time Verizon had given circuit level information for the circuits in this category.

disputes CenturyLink filed for the overcounting of these circuits were and are valid. Verizon cannot now attempt to go back and revise its monthly invoices. Had Verizon billed these circuits with the USOCs it now asserts were applicable, CenturyLink would have audited those different invoices to assess the validity of such charges. But CenturyLink is not responsible for errors in Verizon's billing, errors that Verizon has failed to substantiate. CenturyLink validly disputed Verizon's overcharges—Verizon counted the circuits as units in error because the circuits did not bill qualifying USOCs and/or qualifying MRCs on the monthly invoices, as required by the Agreements and tariffs.⁵⁹

C. Verizon Provides No Proof for Its Allegation of a Windfall.

Ms. Mason's arguments regarding alleged "windfalls" obtained by CenturyLink for fractional disconnected circuits is devoid of evidence and not relevant to CenturyLink's allegations. Ms. Mason merely reiterates her prior points, which Ms. Brown thoroughly rebutted, and Ms. Mason still provides no circuit by circuit analysis to substantiate her allegations of a windfall. What is important to note is that Ms. Mason and Verizon acknowledge errors in their unit counts in the quarterly tracking reports.

In either case, however, these fractional months had no bearing on the disputes filed by CenturyLink.⁶¹ Verizon agrees that after the circuits had already been disconnected, Verizon continued to include them in its unit count in error,⁶² and CenturyLink's disputes only included

⁶⁰ Brown Reply Decl. ¶¶ 68-70. Ms. Mason continues to argue that CenturyLink received a windfall on many circuits that were included in the unit count by Verizon in error during the fractional months billed prior to disconnection. Mason Sur-Reply Decl. ¶¶ 11-13. CenturyLink's analysis showed that there were circuits where Verizon received a windfall and circuits where CenturyLink received a windfall. Brown Reply Decl. ¶¶ 68-70.

⁵⁹ Brown Reply Decl. ¶ 64.

⁶¹ Brown Reply Decl. ¶ 68.

⁶² Mason Sur-Reply Decl. ¶ 12.

the months after the disconnection was completed.⁶³ That is, CenturyLink's Formal Complaint and its dispute packages filed with Verizon did not include any of the fractional months prior to disconnection; therefore, any potential windfall received by both Verizon and CenturyLink were not included in CenturyLink's Reply.⁶⁴

D. CenturyLink's Category 5 Dispute Submissions Demonstrate a Windfall to Verizon.

Ms. Mason acknowledges that Verizon made errors in billing and crediting Category 5 circuits that resulted in a windfall to Verizon.⁶⁵ As noted by Ms. Mason, Verizon should have billed these circuits as DS0s, but instead billed them as much more expensive DS1s.⁶⁶ Verizon then counted these erroneously billed DS1s in the DS1 unit count. Ms. Mason also agrees that CenturyLink's net cost likely would have been lower if the circuits had been classified correctly as DS0s on the monthly invoices.⁶⁷ Dispute Category 5 was filed because of this fact, and Verizon should not be allowed to reap a windfall due to its own errors.⁶⁸

⁶³ Brown Reply Decl. ¶ 68.

⁶⁴ Ms. Mason also argues that because CenturyLink's calculations did not include the purported net windfalls in the fractional months prior to disconnect, the methodology is incorrect. Mason Sur-Reply Decl. ¶ 13. However, CenturyLink's disputes were for the months after the disconnect had already been processed. The calculations and methodology for the disputed timeframes are clear and accurate. Verizon's unsubstantiated allusion to a net windfall for months outside of the disputed timeframe is irrelevant. Brown Reply Decl. ¶¶ 68-70. Verizon has failed to prove what amounts might constitute such a "windfall," and provides no legal support for the suggestions that such alleged "windfalls" could be permitted to offset overcharges, as such offsets would undermine the filed rates. Verizon's allegations in this regard, including its affirmative defenses such as set off and recoupment, lack any valid legal basis and run afoul of the Commission's prohibition on counterclaims. Reply Legal Analysis, at 63-64.

⁶⁵ Mason Sur-Reply Decl. ¶¶ 14-15.

⁶⁶ Mason Sur-Reply Decl. ¶ 14.

⁶⁷ Mason Sur-Reply Decl. ¶ 15.

⁶⁸ Brown Reply Decl. ¶¶ 83-84.

E. The Evidence Shows that Verizon Misled CenturyLink Regarding the Effect of the 2014 FMS Transition.

Ms. Mason erroneously asserts that CenturyLink's net cost for special access services was not materially affected by the FMS conversion.⁶⁹ Prior to the conversion off of FMS, the DS3s in the FMS territories did not bill any qualifying USOCs and/or MRCs and therefore did not qualify as units under the Service Agreements and tariffs.⁷⁰ After the conversion, the DS3s began to bill Special Access USOCs, which then qualified them as units under the 2014 Service Agreement and tariffs. The reason the unit counts in Ms. Mason's Sur-reply Table 1 remained consistent before and after the conversion is because Verizon had been counting the DS3s in error prior to the FMS conversion.⁷¹ After the FMS conversion, the DS3s were billing MRCs that qualified them as units, and the disputes filed by CenturyLink for the counting errors correspondingly decreased after the FMS conversion, because the technically valid unit count for DS3 CLF circuits increased after the FMS conversion.⁷² [[BEGIN CONFIDENTIAL]]



Table 1⁷³



⁶⁹ Mason Sur-Reply Decl. ¶ 16.

⁷⁰ See Brown Reply Decl. ¶¶ 45-57.

⁷¹ Compare Mason Sur-Reply Decl. ¶ 17 with Brown Decl. ¶¶ 17-19 and Brown Reply Decl. ¶¶ 45-57.

⁷² Brown Reply Decl. ¶¶ 89-93. Although the units were technically valid under the language of the agreements, they were nonetheless improperly counted because Verizon failed to efficiently deploy DS3s in the FMS LATAs.

⁷³ CenturyLink reproduces only the DS3 CLF units in dispute for Categories 1 and 6. The DS3 CLS unit count, although relevant for CenturyLink's disputes in Category 2, are irrelevant here.

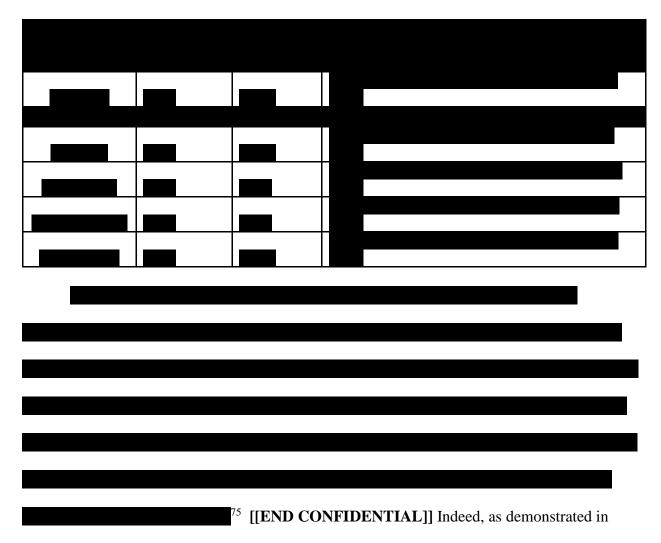


Table 2 below, Verizon's own tariffs plainly show that for the FCC #11 territories multiplexing rates, the average FMS rates (\$1.67) are 52% higher than comparable undiscounted special access rates (\$1.10).

Table 2⁷⁶

FCC #11	Tariff Section MA/NY/C		Rate Zone 1	\$660.24	
Special		31.7.9 (C)(1)	I MA/NY/CT	Rate Zone 2	\$693.26
Access	IVIKIVI	MIKIM 31.7.9 (C)(1)		Rate Zone 3	\$726.26
Multiplexor		31.7.9 (C)(1)	RI	Non-MSA	\$726.26

By not including them here, however, CenturyLink does not concede that the DS3 CLS unit counts in Mason Sur-Reply Decl. ¶ 17 are accurate.

⁷⁴ Mason Sur-Reply Decl. ¶ 18.

⁷⁵ Brown Reply Decl. ¶ 91.

⁷⁶ Information in this table is derived from Verizon's tariffs as summarized in CTL Ex. 89.

		20.7.0		Price Band 4	\$710.26
	30.7.9	MA/NY/CT	Price Band 5	\$745.77	
		(C)(1)(a)(ii)	1)(a)(11)	Price Band 6	\$781.29
	30.7.9 RI		Price Band 4	\$781.29	
		RI	Price Band 5	\$781.29	
		(C)(1)(a)(ii)		Price Band 6	\$781.29
				Average Undiscounted Special Access Per DS3 Tariffed Rate	\$738.72
				Average Special Access Per DS0 Rate ⁷⁷	\$1.10
FCC #11	FCC #11	31.7.18 (B)(3)		N-MSA	\$0.66
FMS M	MXN M5	30.7.18 (B)(3)	ALL	Price Band 4	\$2.00
	IVIS			Price Band 5	\$2.00
				Price Band 6	\$2.00
				Average FMS Per DS0 Rate	\$1.67
				% Increase in rates for FMS	52%

Verizon's tariffs show the rate differences between the FMS and special access territories, and demonstrate that CenturyLink was paying a premium for Facilities Management Service. The average rates mentioned in Ms. Brown's Reply Declaration are an average of the undiscounted rates that Verizon was billing to CenturyLink for Special Access versus FMS. It is unclear why Verizon was unable to determine CenturyLink's rates for these services, as all of the information is based on the public tariffs, and the related invoices that are also in Verizon's possession.

⁷⁷ Special Access circuits are billed at the DS3 level, while FMS circuits are billed at the DS0 level. The rate in this cell was calculated by dividing the average DS3 rate of \$738.72 by 672, the number of DS0s in a DS3 circuit.

⁷⁸ CTL Ex. 89.

 $^{^{79}}$ See also Brown Reply Decl. \P 91; CTL Ex. 74.

Finally, although Ms. McDermott also makes bald claims that Verizon worked with CenturyLink for months to prepare for the conversion off of FMS, she provides no response, much less evidence, for Verizon's contentions that it notified CenturyLink of the FMS conversion date as early as 2008. In fact, according to Ms. McDermott, Verizon's first communication with CenturyLink about the FMS conversion occurred on February 10, 2014, and shows that Verizon still did not have an FMS conversion date at that time. Furthermore, Ms. McDermott herself demonstrates that CenturyLink was not aware, until May 27, 2014, that the conversion date would be the end of June 2014.

CONCLUSION

For the above reasons, CenturyLink respectfully requests that the Commission find Verizon's practices in violation of Sections 201(b) and 203(c) of the Act, and order Verizon to remit all overcharges and sums due as a result of those violations, with interest.

Dated: June 1, 2018 Respectfully submitted,

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⁸⁰ See VZ Ex. 75, Email from Anna McDermott to Anne Grimm dated Feb. 10, 2014 (mentioning conversion off of FMS but not specifying date).

⁸¹ See VZ Ex. 76, Email from Anna McDermott to Anne Grimm dated May 27, 2014 (mentioning conversion date as end of June 2014); see also Brown Reply Decl. ¶¶ 87, 89-90.

Attachment A

Before the Federal Communications Commission Washington, D.C. 20554

In the Matter of)	
CenturyLink Communications, LLC f/k/a Qwest Communications Company, LLC,)	
Complainant, v.)))	Docket No. 18-33 File No. EB-18-MD-001
Verizon Services Corp.; Verizon Virginia LLC;)	
Verizon Washington, D.C., Inc.; Verizon Maryland)	
LLC; Verizon Delaware LLC; Verizon)	
Pennsylvania LLC; Verizon New Jersey Inc.;)	
Verizon New York Inc.; Verizon New England Inc.;)	
Verizon North LLC; Verizon South Inc.,)	
)	
Defendants.)	

CENTURYLINK COMMUNICATIONS, LLC'S OPPOSITION AND OBJECTIONS TO VERIZON'S PROPOSED SECOND SET OF INTERROGATORIES

Pursuant to 47 C.F.R. § 1.729(c), the Commission's March 13, 2018 Notice of Formal Complaint, and the May 18, 2018 Letter Order, CenturyLink Communications LLC, f/k/a Qwest Communications Company, LLC ("CenturyLink"), hereby submits to the Commission, and concurrently serves on the above-captioned defendants (individually and collectively, "Verizon"), this Opposition and Objections to Verizon's Proposed Second Request for Interrogatories ("Interrogatories"). ¹

GENERAL OBJECTIONS

CenturyLink asserts the following General Objections to each and every Interrogatory set forth below, including Verizon's Explanations, and the General Objections are hereby incorporated into each of CenturyLink's Specific Objections as set forth below. CenturyLink generally objects as follows:

- 1. CenturyLink objects to the Interrogatories to the extent they are in excess of the number permitted of a defendant under 47 C.F.R. § 1.729(a) and/or authorized under 1.729(h).
- 2. CenturyLink objects to the Interrogatories, Instructions, Explanations, and
 Definitions to the extent they seek any information that is neither relevant to the subject matter of
 this proceeding nor reasonably calculated to lead to the discovery of admissible evidence and
 exceeds the bounds of the legitimate purposes of discovery; is duplicative, is not both necessary
 to the resolution of the dispute and unavailable from any other source, are otherwise inconsistent

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¹ The May 18, 2018 Letter Order provided in relevant part that CenturyLink file and serve its opposition and objections to Verizon's request for interrogatories by June 1, 2018. CenturyLink consequently denies it has an obligation to respond to these Interrogatories "in writing and under oath, in the time provided by 47 C.F.R. § 1.729(c)." *See* Interrogatories at 1. CenturyLink's Opposition and Objections are timely filed pursuant to the Notice of Formal Complaint.

with 47 C.F.R. § 1.729 or other Commission rules pertaining to discovery, or seek to impose upon CenturyLink any obligation not imposed by the Commission's rules.

- 3. CenturyLink objects to the Interrogatories, Instructions, Explanations, and
 Definitions to the extent they seek information protected by applicable privileges (including, but
 not limited to, the attorney-client privilege, joint defense or common interest privilege, and
 attorney work product privilege) or otherwise protected under applicable law. In the event such
 information is disclosed in response to these Interrogatories, such disclosure shall not constitute a
 waiver of any privilege, doctrine, or other applicable ground for protecting such documents from
 disclosure.
- 4. CenturyLink objects to the Interrogatories, Instructions, Explanations, and Definitions to the extent they call for proprietary and confidential information and/or trade secrets. If the Commission determines such information is necessary to the resolution of the dispute, CenturyLink agrees to provide such information only pursuant to the terms of the Protective Order entered by the Commission in this proceeding on February 9, 2018.
- 5. CenturyLink objects to the Interrogatories, Instructions, Explanations, and Definitions to the extent that they seek information not currently in CenturyLink's possession, custody, or control.
- 6. CenturyLink objects to the Interrogatories, Instructions, Explanations, and Definitions to the extent that the requested information is already within Verizon's possession, or available to Verizon from other sources.
- 7. CenturyLink objects to the Interrogatories, Instructions, Explanations, and Definitions to the extent they are not proportional to the needs of the case considering the

importance of the issues at stake in the proceeding, the amount in controversy, the parties' relative access to relevant information, the parties' resources, the importance of the discovery in resolving the issues, and the burden and expense of the proposed discovery outweighs its likely benefit.

- 8. CenturyLink objects to the Interrogatories, Instructions, Explanations, and
 Definitions to the extent they imply the existence of facts or circumstances that do not or did not
 exist, to the extent they state or assume legal conclusions, and to the extent they attempt to or
 allegedly resolve any fact, issue, or legal matter in dispute. CenturyLink does not admit or
 concede the factual or legal premise of any of the Interrogatories. By responding to any
 Interrogatory or utilizing any Definition or defined term, CenturyLink shall not be construed to
 have agreed to any such legal or factual interpretation, or to have waived its right to dispute any
 such conclusion of law, purported finding or statement of fact, or have waived any of its claims
 and arguments as set forth in its Complaint and Reply, all of which are expressly reserved and
 reaffirmed. By way of nonexclusive example, CenturyLink objects to the definition of "Billing
 Credits" or "Credits" in Definition 15 to the extent it is intended to suggest that CenturyLink in
 fact received the full and proper credits it should have from Verizon, and further objects to that
 Definition as ambiguous and as improperly suggesting that flat rates were not on file with the
 Commission.
- 9. CenturyLink objects generally to the Interrogatories, Instructions, Explanations, and Definitions to the extent that (a) they are overbroad, vague, ambiguous, compound, cumulative, or harassing; or (b) compliance would be oppressive and unduly burdensome.

- 10. CenturyLink objects to the Interrogatories, Instructions, Explanations, and Definitions to the extent they impermissibly seek document production by means of written interrogatories. The Commission's rules allow a defendant to serve on a complainant, concurrently with its answer, "a request for up to ten written interrogatories." 47 C.F.R. § 1.729(a). Other forms of discovery such as document production may not be served without leave of the Commission. *See id.* § 1.729(h). CenturyLink further objects to any request for document production as premature.
- 11. CenturyLink objects to the Interrogatories, Instructions, Explanations, and
 Definitions to the extent that they seek information regarding how and from whom CenturyLink
 learned of quantitative calculation errors or substantive errors of overinclusion or underinclusion
 which Verizon has admitted in its Answer. To the extent that Verizon has admitted to any such
 errors, as further detailed in CenturyLink's Complaint, Reply, Reply Legal Analysis,
 Declarations or Reply Declarations, or other submissions, it is irrelevant how or by whom such
 errors were identified.
- 12. This Opposition and Objections is submitted without waiving in any way, and to the contrary reserving, the right to amend or supplement any and all oppositions, objections, or other responses or other information provided herein at any time upon the receipt of additional information, and the right to object on any grounds to the use of evidence or other use of this opposition, objections, responses or other information provided herein in this or any other proceeding by these parties or any parties or non-parties.
- 13. Objections, responses, or other information provided to specific Interrogatories, or in subsequent responses to specific Interrogatories if any, are subject to and without waiver of

these General Objections and those specific objections raised with respect to particular Interrogatories. Accordingly, the provision of substantive responses to any Interrogatory either now or subsequently shall not be construed as an admission or used as the basis for a contention that Verizon is entitled to any response more specific than that provided.

OBJECTIONS TO SPECIFIC INTERROGATORIES

In addition to the General Objections set forth above and hereby incorporated into each of the following objections as if set forth in full, CenturyLink specifically objects to Verizon's Second Request for Interrogatories as follows:

INTERROGATORY NO. 10: In Paragraph 6 of Tiffany Brown's April 23, 2018 Reply Declaration, she asserts that she "expected that there would be some counting errors made by Verizon. But I was surprised by the volume of counting errors made by Verizon and the dollars associated with those errors. These amounts were significantly higher than what I had previously seen in the industry." Please explain the basis for this statement, including the specific carriers "in the industry" to whom she is allegedly referring, the types of contracts with those carriers that she is using for her comparison, the error rate that she was allegedly "expect[ing]" in light of her experience with those other carriers, and the basis for that expectation.

OBJECTION TO INTERROGATORY NO. 10: CenturyLink objects to Interrogatory No. 10 because it is overly broad, unduly burdensome, and seeks irrelevant information that is not reasonably calculated to lead to the discovery of admissible evidence because it is irrelevant to the fact of Verizon's counting errors, their volume, and the overcharge amounts associated with those errors. Such information is not necessary to the resolution of the issues in this case because it has no relevance to whether the identified errors exist. The Reply Declaration of Tiffany Brown speaks for itself, and CenturyLink objects to Verizon's attempts to mischaracterize the quoted statements or to apply its own interpretations of the plain language.

In addition, CenturyLink objects to the extent that Verizon seeks confidential or proprietary information regarding third party carriers, and information that is either not within the possession, custody or control of CenturyLink, or is equally available to Verizon.

<u>INTERROGATORY NO. 11</u>: In Paragraph 15 of Ms. Brown's April 23, 2018 Reply Declaration, she asserts that "it was Mr. Szol's team who advised CenturyLink to populate the BAN as the 'Circuit ID' on the form in order to submit the disputes." Please identify and describe in detail that alleged advice, including the Verizon employee who gave it, the CenturyLink employee who received it, the form in which it was given, and the date on which Verizon supposedly gave it.

OBJECTION TO INTERROGATORY NO. 11: CenturyLink objects to Interrogatory No. 11 because it is overly broad and unduly burdensome. The Verizon declaration to which the above quotation relates states that Verizon's dispute team had a "close working relationship" with CenturyLink, met with CenturyLink regarding Verizon's system automatically rejecting disputes, and "assisted CenturyLink in refiling the disputes using an actual circuit ID instead of the BAN." Verizon already has information and knowledge regarding the subject matter of Interrogatory No. 11. Verizon's request is also flawed because it did not provide a supplemental affidavit from Mr. Szol as part of its Sur-Reply attempting to rebut Ms. Brown's quoted statements, and there is no basis for its additional request.

² Verizon Answer, Declaration of David Szol ¶ 12.

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INTERROGATORY NO. 12:	In Paragraph 82 of Ms. Brow	wn's April 23, 2018 Reply
Declaration, she asserts that [[B	EGIN CONFIDENTIAL]]	
		rem.

CONFIDENTIAL]] Although "CenturyLink agrees to adjust" the dispute amount in Table 1 of Ms. Brown's Declaration, it maintains that the "amount should not be backed out of the dispute amounts in the Table of CenturyLink-Verizon Claims because this debit is already reflected in the dispute amounts filed with Verizon." For each of PY1Q1, PY1Q2, and PY2Q1, please explain and demonstrate how CenturyLink's original disputes accounted for the undercharges identified in Verizon Exhibit 66 – and in light of that answer, explain any effect on CenturyLink's total claimed damages caused by CenturyLink's statement above that it agrees to adjust the dispute amount on Table 1 of Ms. Brown's Reply Declaration by [[BEGIN CONFIDENTIAL]]

OBJECTION TO INTERROGATORY NO. 12: CenturyLink objects to Interrogatory

No. 12 because it is overly broad, unduly burdensome, and seeks information already in Verizon's possession, custody, or control. This issue was the result of a formula error that Verizon admits to, and CenturyLink accounted for that issue in its filed disputes as well as by informing Verizon repeatedly as to the net overcharges and undercharges caused by Verizon's error. Ms. Brown's April 23, 2018 Reply Declaration speaks for itself, and specifically explains that Verizon has admitted that the total in Dispute Category 4 was overcharged to CenturyLink, and that a detailed accounting of this category is attached as CenturyLink Reply Exhibit 73. It also explains in detail how the filed dispute packages reflected the net overcharges and undercharges.

In addition, CenturyLink also objects because Interrogatory No. 12 is vague and ambiguous to the extent it requests that CenturyLink "demonstrate" how its filed disputes contained the net overcharges and undercharges of the circuits impacted by Verizon's formula

Reply Declaration of Tiffany Brown ("Brown Reply Decl.") ¶ 80.

⁴ *Id.* ¶ 82.

⁵ *Id.* ¶ 81.

errors or that CenturyLink explain "any effect" on its dispute amount. For example, CenturyLink already explained that it discussed these issues with Verizon at length, and that the "net overcharges and undercharges contained in each of our dispute packages match the details contained in Verizon's Exhibits 65 and 66." It is unclear what additional demonstration Verizon may be seeking, or what relevant information it believes remains lacking, if any.

Subject to the foregoing objections, including general objections, upon resolution of the Parties' respective Interrogatories and Objections by the Commission staff pursuant to 47 C.F.R. § 1.729(d), CenturyLink agrees to provide by the response date established by the staff that relevant, non-privileged information within its possession sufficient to support its assertions regarding the dispute submission calculations netting out the overcharges and undercharges caused by Verizon's errors in the Category 4.

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⁶ Brown Reply Decl. ¶¶ 80, 81.

INTERROGATORY NO. 13: Explain the basis for the comparison between average undiscounted per-DS0 rates that Ms. Brown performs in Paragraph 91 of her April 23, 2018 Reply Declaration, including by showing the mathematical inputs she used to come up with her purported average rates, the specific sections of Verizon's tariff on which she is relying for those inputs, and the calculations she performed to determine the average rates.

OBJECTION TO INTERROGATORY NO. 13: CenturyLink objects to Interrogatory No. 13 on the grounds that it seeks information that is irrelevant and not reasonably calculated to lead to the discovery of admissible evidence because Verizon advances no evidence to contradict CenturyLink's proof that Verizon's rates under FMS were higher, including specific tariff provisions.

CenturyLink also objects on the grounds that this interrogatory is overly broad, unduly burdensome, and seeks information already within Verizon's possession, custody, or control. The average rates mentioned in Ms. Brown's Reply Declaration are an average of the undiscounted rates that Verizon was charging to CenturyLink for Special Access versus FMS.⁷ This is based on Verizon's own tariffs and what was billed to CenturyLink.⁸ In addition, CTL Ex. 89, attached to CenturyLink's Rebuttal to Verizon's Sur-Reply, as well as Table 2 in CenturyLink's Rebuttal, shows the rate differences between the FMS and special access territories, and demonstrates that CenturyLink was paying a premium for Facilities Management Service. For example, in the FCC #11 territories multiplexing rates, the average FMS rates are 52% higher than comparable undiscounted special access rates.⁹

CenturyLink also objects because Interrogatory No. 13 is vague, ambiguous, and unduly burdensome in that it requests mathematical "inputs" to determine average rates, and seeks

See also Brown Reply Decl. ¶ 91; CTL Ex. 74.

CTL Ex. 74.

See CenturyLink Rebuttal (June 1, 2018), at 18-19.

additional discovery of CenturyLink despite Verizon's failure to rebut evidence already proffered. CenturyLink already explained that [[BEGIN CONFIDENTIAL]]

[[END

CONFIDENTIAL]] This is based on the actual average billed rate to CenturyLink under Verizon's tariffs, and Verizon is capable of similarly verifying its average rates for these services. Verizon's failure or inability to do so is not a basis for additional discovery from CenturyLink related to public tariff information and information within Verizon's control.

Indeed, the declaration of Patricia Mason submitted as part of Verizon's Sur-Reply that purports to respond to this issue, in fact, cites no support for her contrary assertion that the FMS pricing was "generally equivalent to or substantially less than standard special access pricing." Instead, Ms. Mason references only an undisclosed "analysis comparing historical FMS pricing to standard special-access pricing in FCC #11 territories." Given the absence of any genuine question regarding CenturyLink's analysis and supporting material based on public tariff information, and Verizon's failure to produce its own alleged "analysis," there is no basis for additional unnecessary and burdensome discovery on this issue. Moreover, in addition to the evidence already provided in its Reply, in its Rebuttal CenturyLink has provided more information from Verizon's own tariffs, further showing that for the FCC #11 territories

Sur-Reply Declaration of Patricia Mason ¶ 18.

¹¹ Id

PUBLIC VERSION CONFIDENTIAL INFORMATION OMITTED

multiplexing rates,	the average FMS	rates are 52%	higher than	comparable ı	undiscounted	special
access rates, and re	inforcing the unne	ecessary natur	e of this requ	iest. 12		

See CenturyLink Rebuttal (June 1, 2018), at 18-19; CTL Ex. 89.

PUBLIC VERSION CONFIDENTIAL INFORMATION OMITTED

Dated: June 1, 2018 Respectfully submitted,

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Attachment B

PUBLIC

Before the Federal Communications Commission Washington, D.C. 20554

In the Matter of)	
)	
CenturyLink Communications, LLC f/k/a Qwest)	
Communications Company, LLC,)	
)	
Complainant,)	Docket No. 18-33
v.)	File No. EB-18-MD-001
)	
Verizon Services Corp.; Verizon Virginia LLC;)	
Verizon Washington, D.C., Inc.; Verizon Maryland)	
LLC; Verizon Delaware LLC; Verizon Pennsylvania)	
LLC; Verizon New Jersey Inc.; Verizon New York)	
Inc.; Verizon New England Inc.; Verizon North)	
LLC; Verizon South Inc.,)	
)	
Defendants.)	

EXHIBIT 89 (PUBLIC)

EXHIBIT TO CENTURYLINK COMMUNICATIONS, LLC'S REBUTTAL TO VERIZON'S SUR-REPLY

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Exh. 89. Summary of Tariff Rates

PUBLIC VERSION

EXHIBIT 89

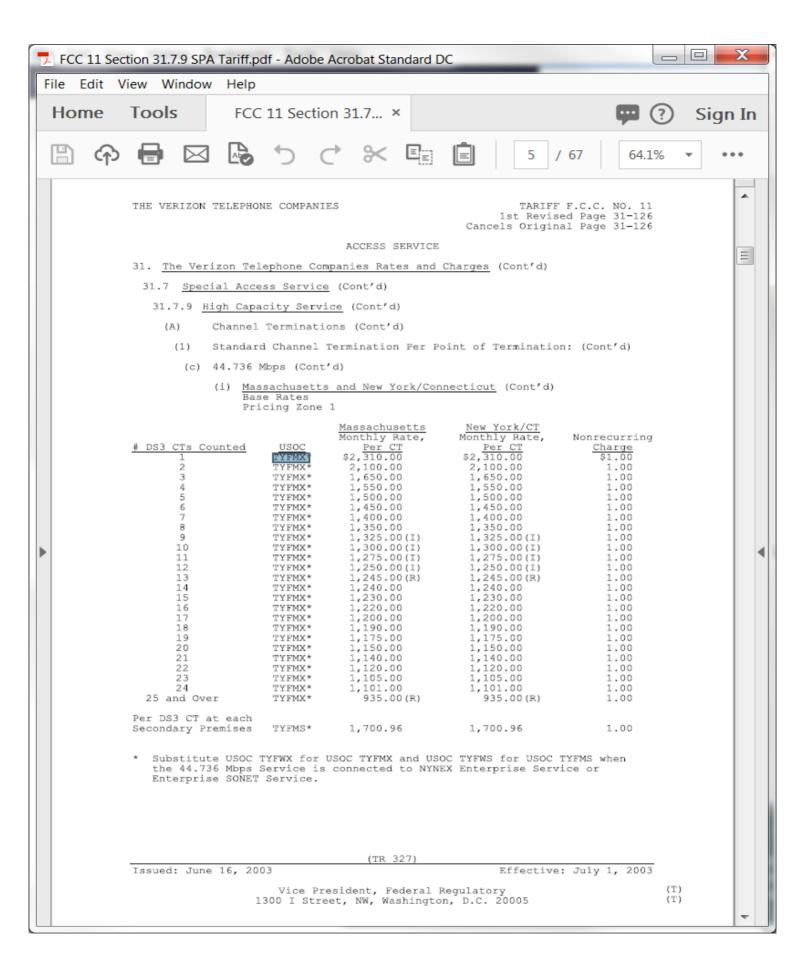
Summary of Tariff Rates

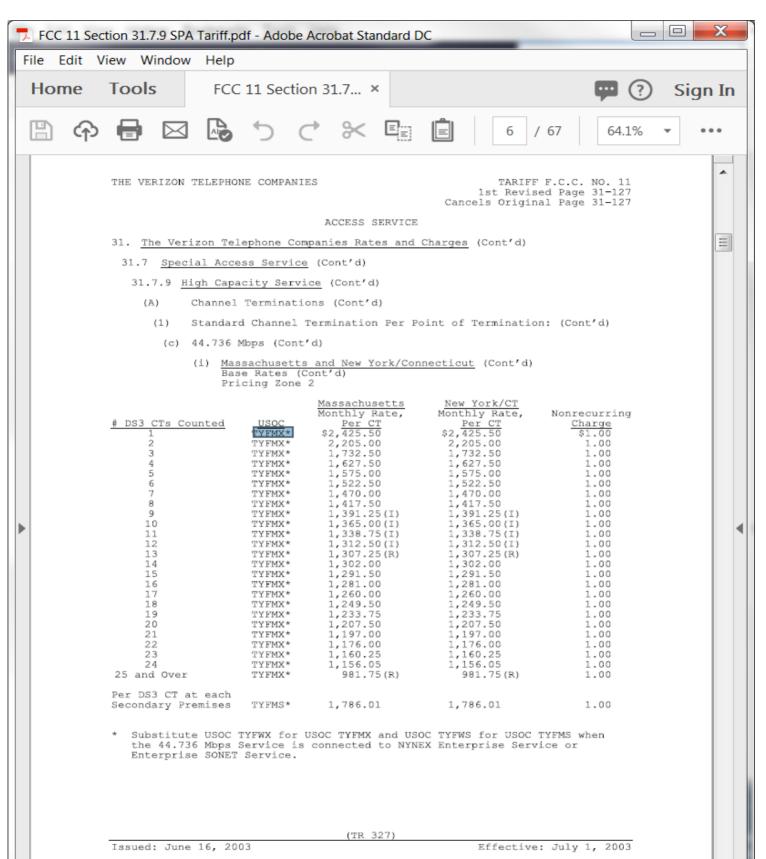
	SPECIAL ACCESS - 5 YEAR PLAN RATES										
FCC TARIFF	CHARGE TYPE	usoc	USOC Description	TARIFF SECTION	STATE	PB/RZ	DS3 BASE FIXED RATE	DS3 BASE PER MILE RATE	5 YR DISC %	FIXED DS0 RATE	PER MILE DSO RATE
						Rate Zone 1	\$2,310.00		35%	\$2.23	
						Rate Zone 2	\$2,425.00		35%	\$2.35	
	CHANNEL		BASE RATE PRI			Rate Zone 3	\$2,541.00		35%	\$2.46	
	TERMINATION	TYF8X	PREM ELEC	7.5.9 (A)(1)(a)	ALL	Price Band 4	\$2,915.00		35%	\$2.82	
	TERIVIINATION		CHAN TERM			Price Band 5	\$3,060.75		35%	\$2.96	
						Price Band 6	\$3,206.50		35%	\$3.10	
		1YA8S	BASE RATE DS3 CHANNEL MILE - SPEC	7.5.9 (B)(1)(e)	ALL	Rate Zone 1	\$701.25	\$131.78	35%	\$0.68	\$0.13
	MILEAGE					Rate Zone 2	\$701.25	\$131.78	35%	\$0.68	\$0.13
						Rate Zone 3	\$701.25	\$131.78	35%	\$0.68	\$0.13
	IVIILEAGE					Price Band 4	\$874.50	\$164.33	35%	\$0.85	\$0.16
FCC 1						Price Band 5	\$874.50	\$164.33	35%	\$0.85	\$0.16
						Price Band 6	\$874.50	\$164.33	35%	\$0.85	\$0.16
			BASE RATE DS3 RX TO DS1 MUX - SPECIALS	7.5.9 (C)(1)(b)		Rate Zone 1	\$660.24		35%	\$0.64	
						Rate Zone 2	\$693.26		35%	\$0.67	
						Rate Zone 3	\$726.26		35%	\$0.70	
	MULTIPLEXOR	MXNRX				Price Band 4	\$710.26		35%	\$0.69	
						Price Band 5	\$745.77		35%	\$0.72	
						Price Band 6	\$781.29		35%	\$0.76	
						Price Band 6	\$781.29		35%	\$0.76	

				SPECIAL ACCESS	- 5 YEAR	PLAN RATES					
FCC TARIFF	CHARGE TYPE	USOC	USOC Description	TARIFF SECTION	STATE	PB/RZ	DS3 BASE FIXED RATE	DS3 BASE PER MILE RATE	5 YR DISC %	FIXED DS0 RATE	PER MILE DS0 RATE
					MA/NY/	Rate Zone 1	\$2,310.00		40%	\$2.06	
				31.7.9 (A)(1)(c)(i)	CT	Rate Zone 2	\$2,425.00		40%	\$2.17	
					CI	Rate Zone 3	\$2,541.00		40%	\$2.27	
				31.7.9 (A)(1)(c)(ii)	RI	Non-MSA	\$2,541.00		40%	\$2.27	
			CHAN TERM		MA/NY/	Price Band 4	\$2,448.60		40%	\$2.19	
	CHANNEL TERMINATION	TYFMX	44.736 MBPS - BASE RATE	30.7.9 (A)(1)(c)	CT	Price Band 5	, ,		40%	\$2.29	
			PRIMARY PREM			Price Band 6	\$2,693.46		40%	\$2.40	
						Price Band 4	\$2,693.46		40%	\$2.40	
				30.7.9 (A)(1)(c)(ii)	RI	Price Band 5	\$2,693.46		40%	\$2.40	
						Price Band 6	\$2,693.46		40%	\$2.40	
			CHANNEL MILEAGE -	31.7.9 (B)(4)	ALL	Rate Zone 1	\$701.25	\$131.78	40%	\$0.63	\$0.12
						Rate Zone 2	\$701.25	\$131.78	40%	\$0.63	\$0.12
FCC 11	MILEAGE	1A5LX	SPECIAL DS3 ELECTRICAL AND			Rate Zone 3	\$701.25	\$131.78	40%	\$0.63	\$0.12
			OPTICAL - BASE RATE	30.7.9 (B)(4)(a)	ALL	Price Band 4	\$874.50	\$164.33	40%	\$0.78	\$0.15
						Price Band 5	\$874.50	\$164.33	40%	\$0.78	\$0.15
						Price Band 6	\$874.50	\$164.33	40%	\$0.78	\$0.15
					MA/NY/	Rate Zone 1	\$660.24		40%	\$0.59	
				31.7.9 (C)(1)	CT	Rate Zone 2	\$693.26		40%	\$0.62	
						Rate Zone 3	\$726.26		40%	\$0.65	
				31.7.9 (C)(1)	RI	Non-MSA	\$726.26		40%	\$0.65	
			DS3 TO DS1		MA/NY/	Price Band 4	\$710.26		40%	\$0.63	
			MULTIPLEXING -	30.7.9 (C)(1)(a)(ii)	CT	Price Band 5	\$745.77		40%	\$0.67	
	MULTIPLEXOR	MKM	44.736 MBPS		Ci	Price Band 6	\$781.29		40%	\$0.70	
			HIGH CAP - BASE RATE			Price Band 4	\$781.29		40%	\$0.70	
				30.7.9 (C)(1)(a)(ii)	RI	Price Band 5	\$781.29		40%	\$0.70	
						Price Band 6	\$781.29		40%	\$0.70	

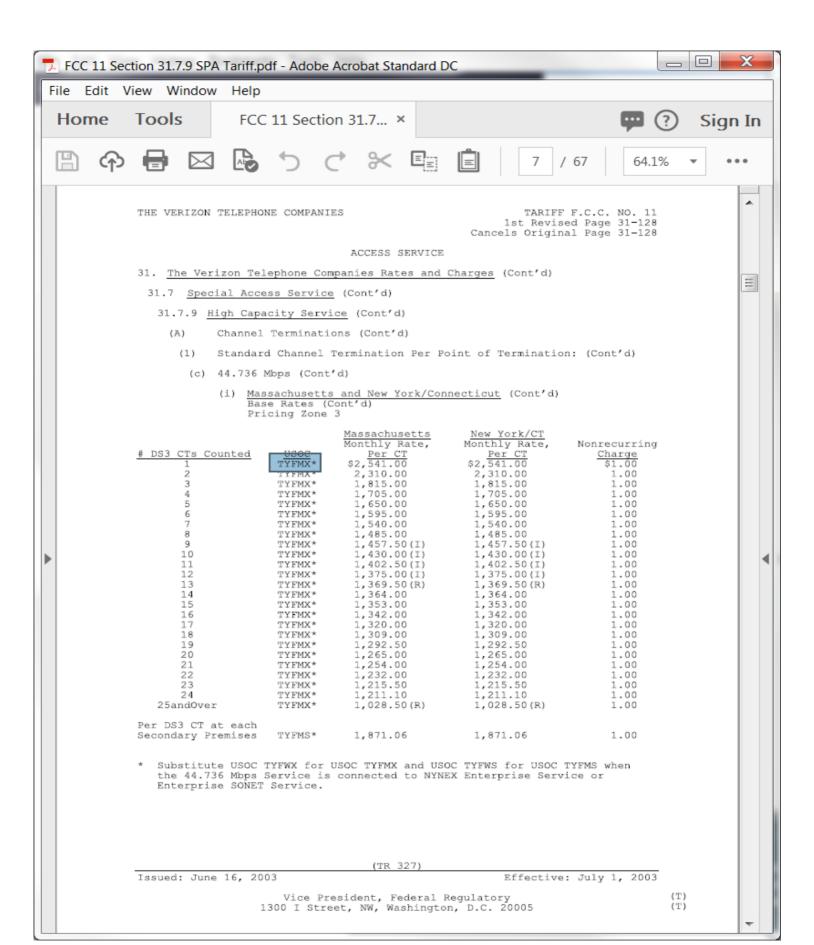
FMS - 5 YEAR PLAN RATES											
FCC TARIFF	CHARGE TYPE	USOC	USOC Descripti on	TARIFF SECTION	STATE	PB/RZ	FIXED DSO RATE	PER MILE DSO RATE			
	FMS -		FMS			N-MSA	\$2.73				
	CHANNEL	TNW5X	STANDAR	7.5.18	ALL	Price	\$2.43				
	TERMINA	IINVVJA	D	(A)(2)	ALL	Price	\$2.43				
	TION		CHANNEL			Price	\$2.43				
	FMS - MILEAGE		FMS			N-MSA	\$0.78	\$0.13			
		1A89S	DIRECT	7.5.18 (C)(3)	ALL	Price	\$0.93	\$0.15			
			CHNL MI -			Band 4		\$0.15			
			DS3/SON			Price	\$0.93	\$0.15			
			ET ENT			Price	\$0.93	\$0.15			
FCC 1	FMS -		FMS		ALL	N-MSA	\$0.64				
		MXNM5	DS3/STS1	7.5.18		Price	\$0.79				
	XOR	CIVINIVIO	TO DS1	(D)(2)		Price	\$0.79				
	XUK		MULTIPLE			Price	\$0.79				
			FMS			N-MSA	\$0.30				
			ADMNSTR			Price	\$0.55				
	FMS	N2M	TN PER	7.5.18	ALL	Price	\$0.55				
	ADMIN	INZIVI	DS0	(E)(2)	ALL	Band 5	ŞU.33				
			EQUIVALE			Price	¢0.FF				
			NT			Band 6	\$0.55				

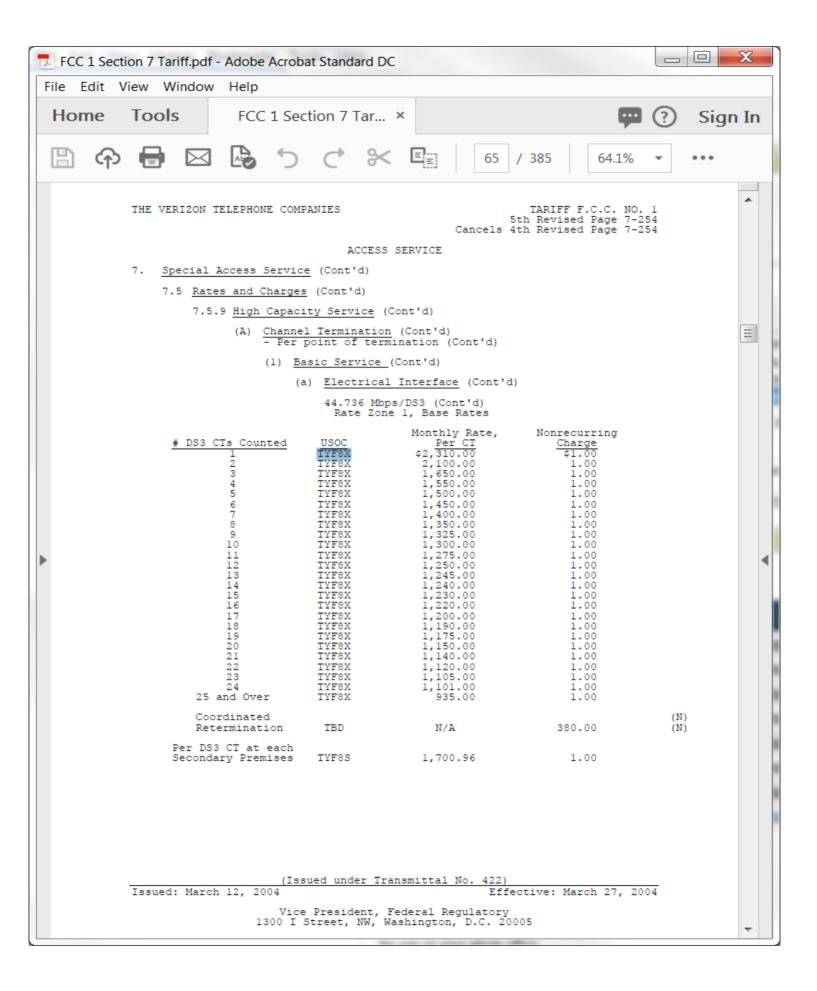
	FMS - 5 YEAR PLAN RATES											
FCC TARIFF	CHARGE TYPE	USOC	USOC Descripti on	TARIFF SECTION	STATE	PB/RZ	FIXED DSO RATE	PER MILE DSO RATE				
	FMS -		FMS	31.7.18	ALL	N-MSA	\$2.23					
	CHANNEL	TNW5X	STANDAR	30.7.18	ALL	Price	\$1.93					
	TERM	IIIVV	D			Price	\$1.93					
	IENIVI		CHANNEL	(B)(1)		Price	\$1.93					
			FMS DIRECT	31.7.18 (B)(2)	ALL	N-MSA	\$0.66	\$0.13				
l	FMS - MILEAGE FMS - MULITPLE	AGE 1A89S S - TPLE MXNM5	CHNL MI - DS3/SON	30.7.18 (B)(4)		Price Band 4	\$0.82	\$0.15				
			ET ENT		ALL	Price	\$0.82	\$0.15				
			FAC 5			Price	\$0.82	\$0.15				
			YEAR			Band 6	ŞU.02	30.13				
FCC 11			FMS DS3/STS1	31.7.18 (B)(3)	ALL	N-MSA	\$0.66					
			TO DS1			Price	\$2.00					
	XOR		MULTIPLE	30.7.18	ALL	Price	\$2.00					
	XON		XING PER	(B)(3)		Price	\$2.00					
			DS0			Band 6	Ş2.00					
	FMS - ADMINIST RATIVE	DMINIST N2M	FMS ADMNSTR	31.7.18 (B)(4)	ALL	N-MSA	\$0.28					
			TN PER DS0	30.7.18	ALL	Price Band 4	\$0.55					
	CHRG		EQUIVALE	(B)(4)	ALL	Price	\$0.55					
			NT			Price	\$0.55	·				

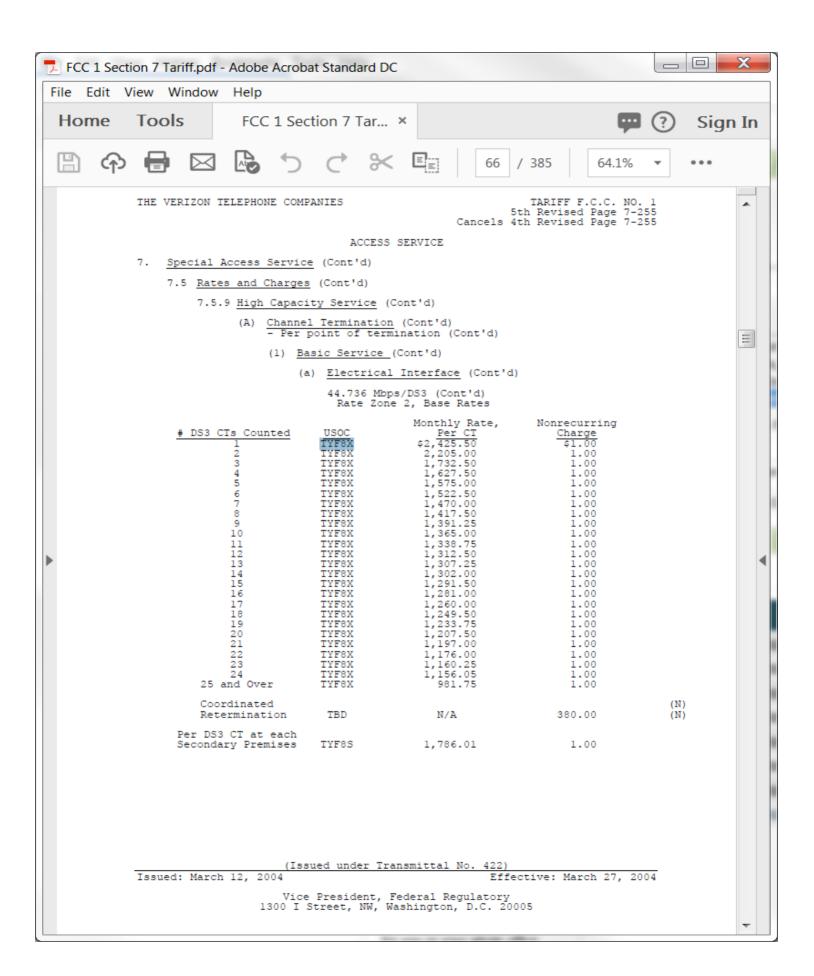


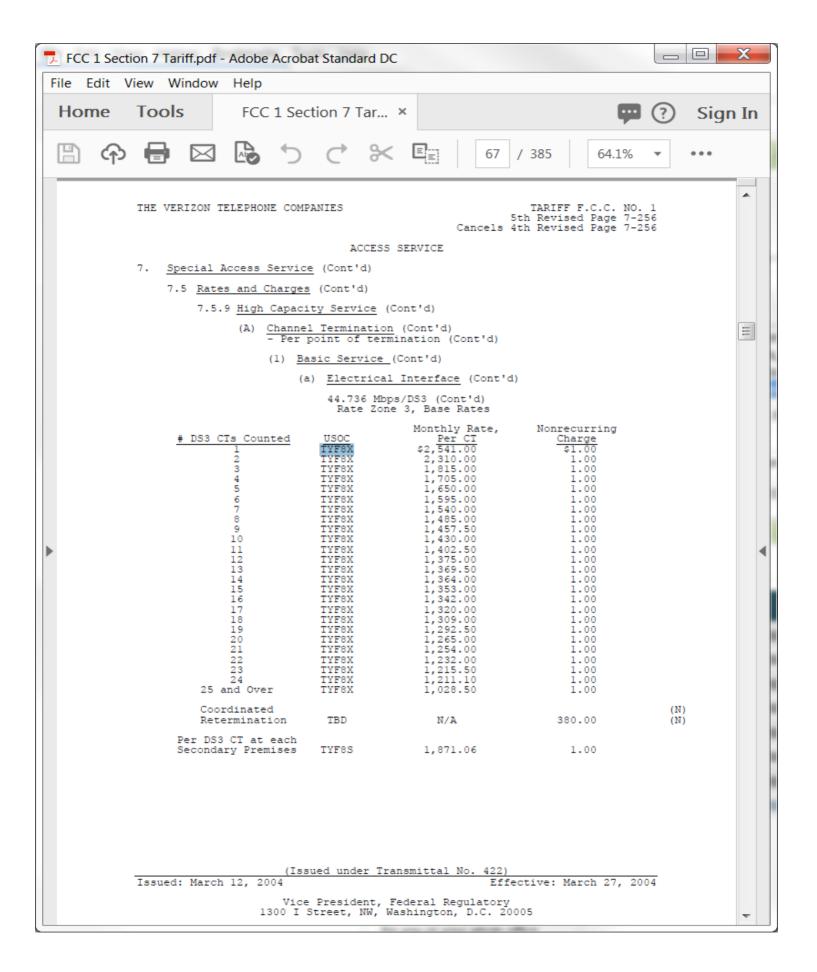


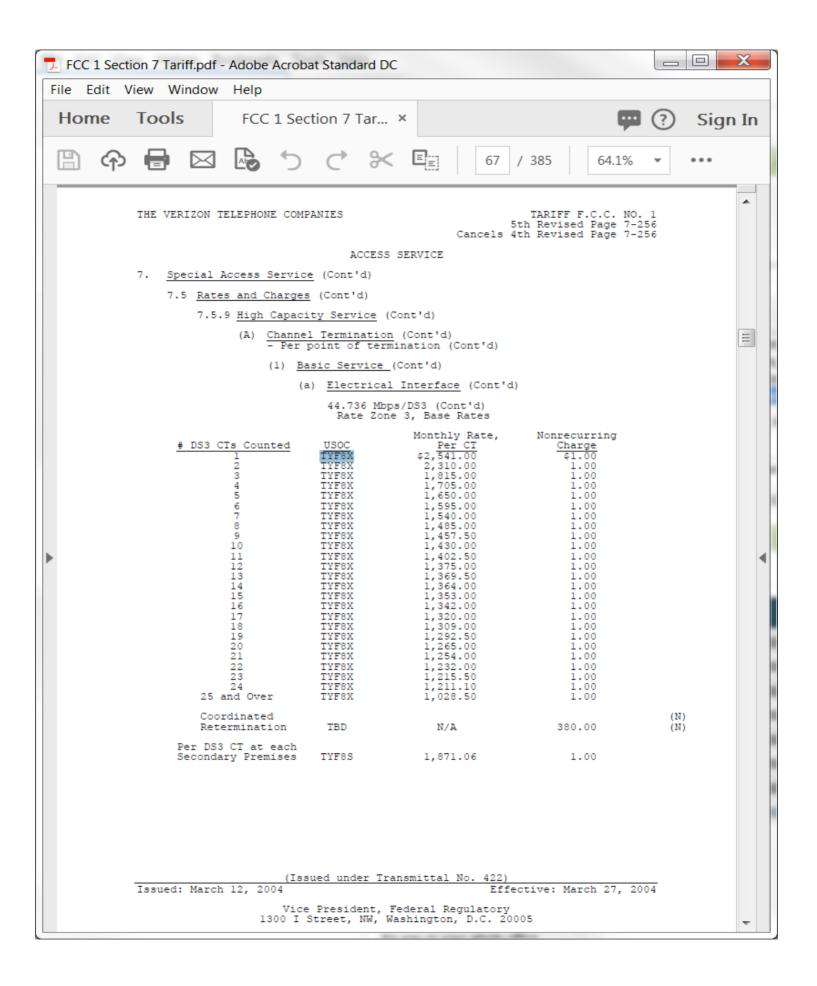
Vice President, Federal Regulatory 1300 I Street, NW, Washington, D.C. 20005 (T)

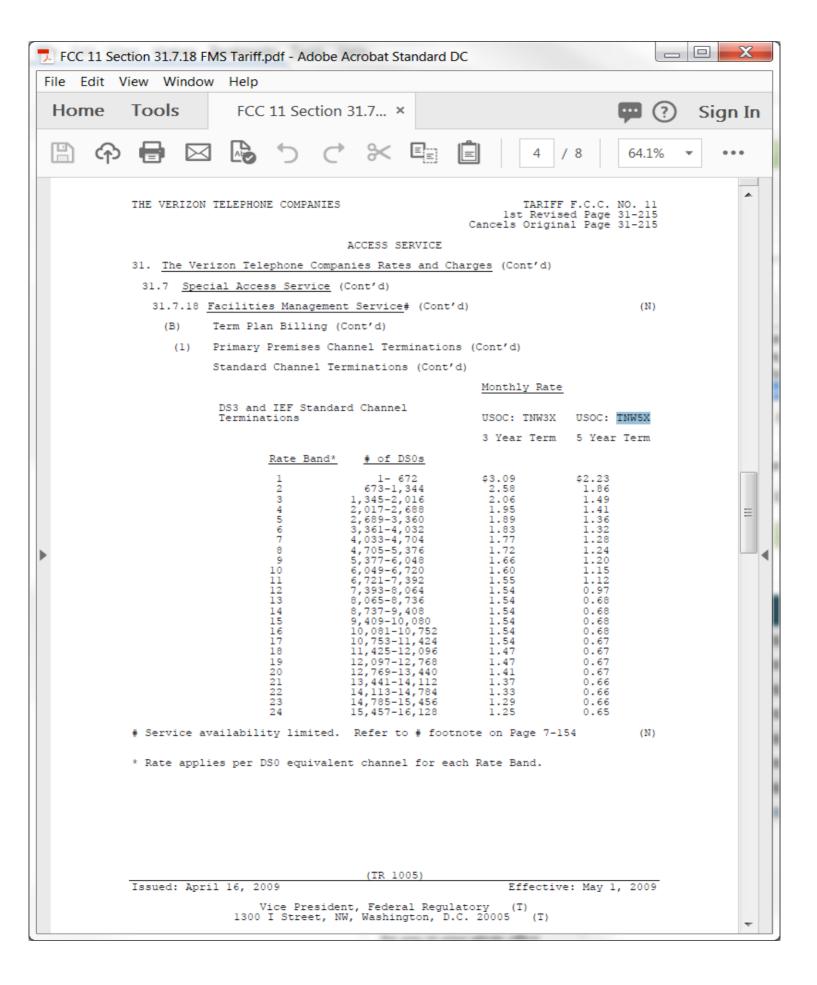


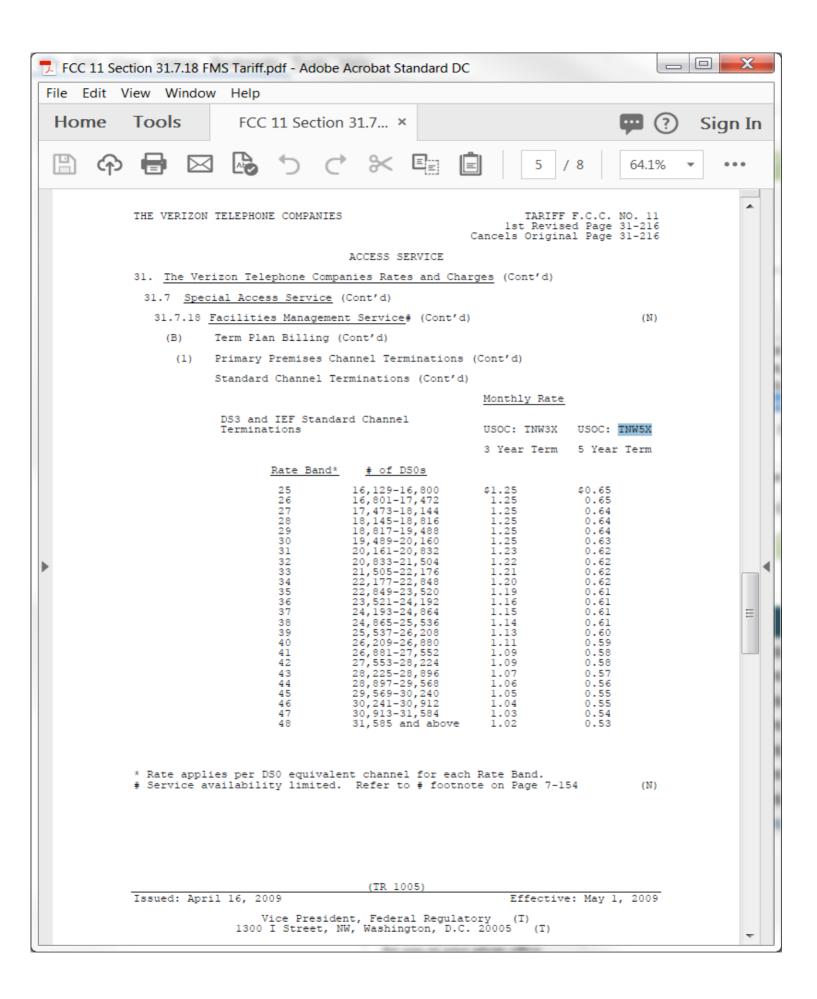


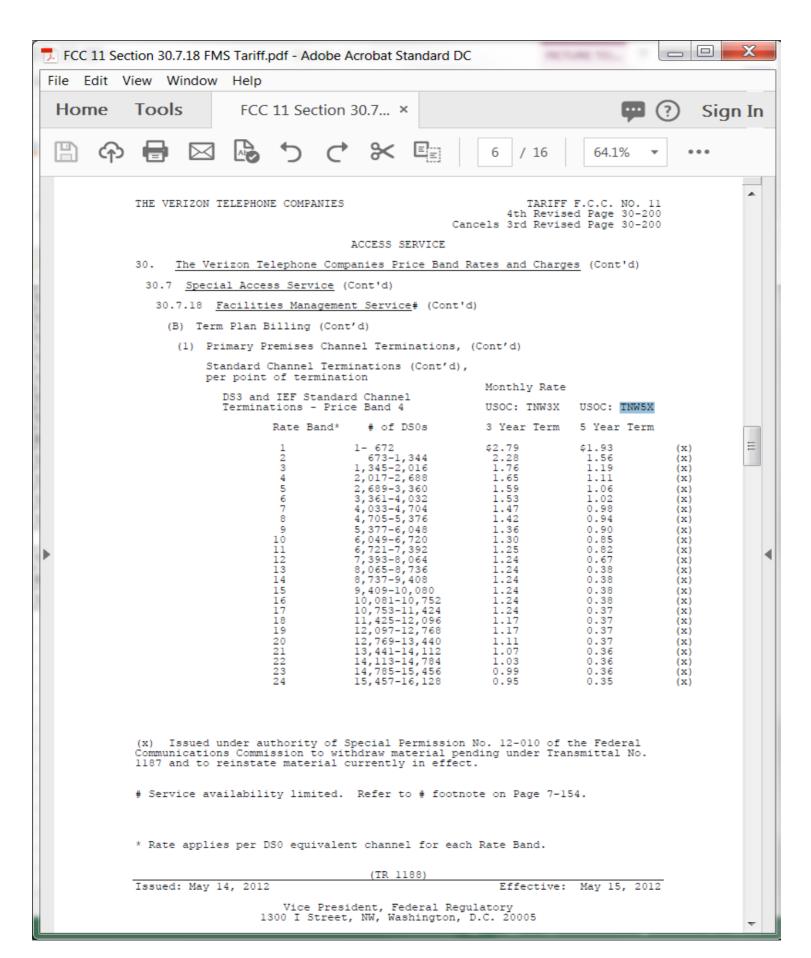


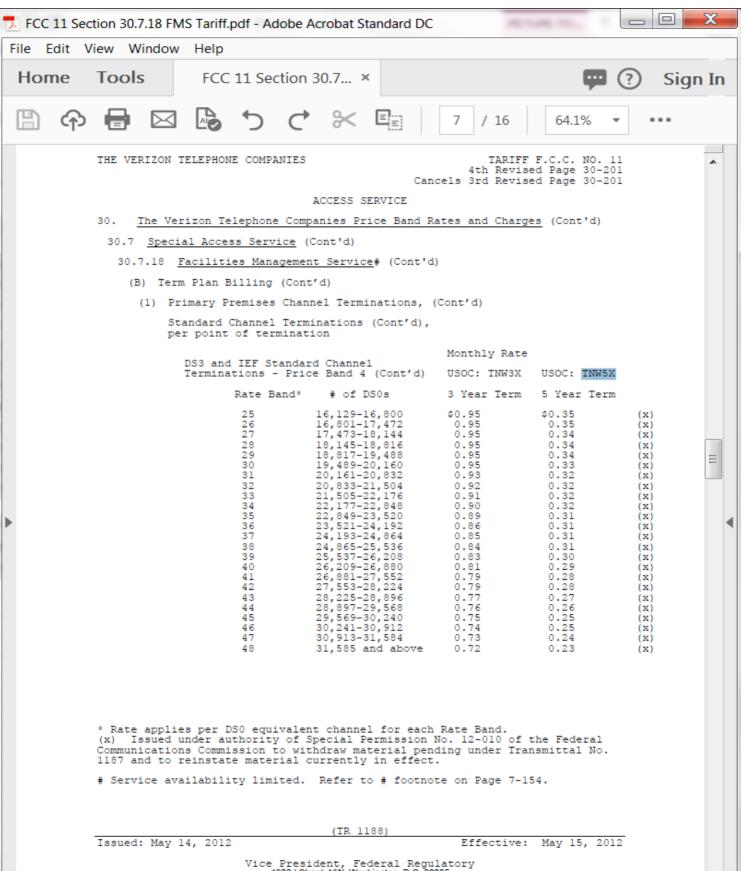


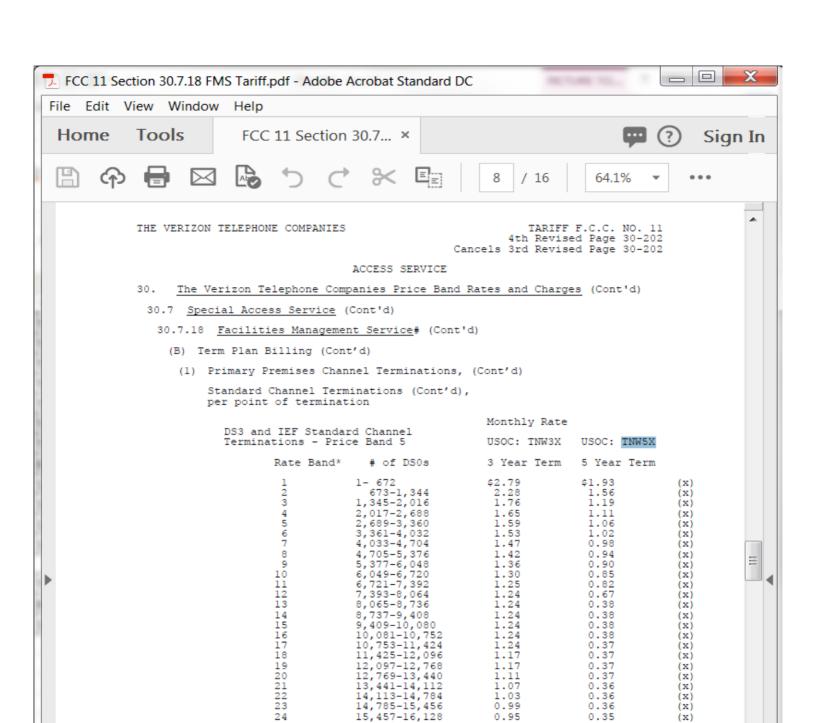










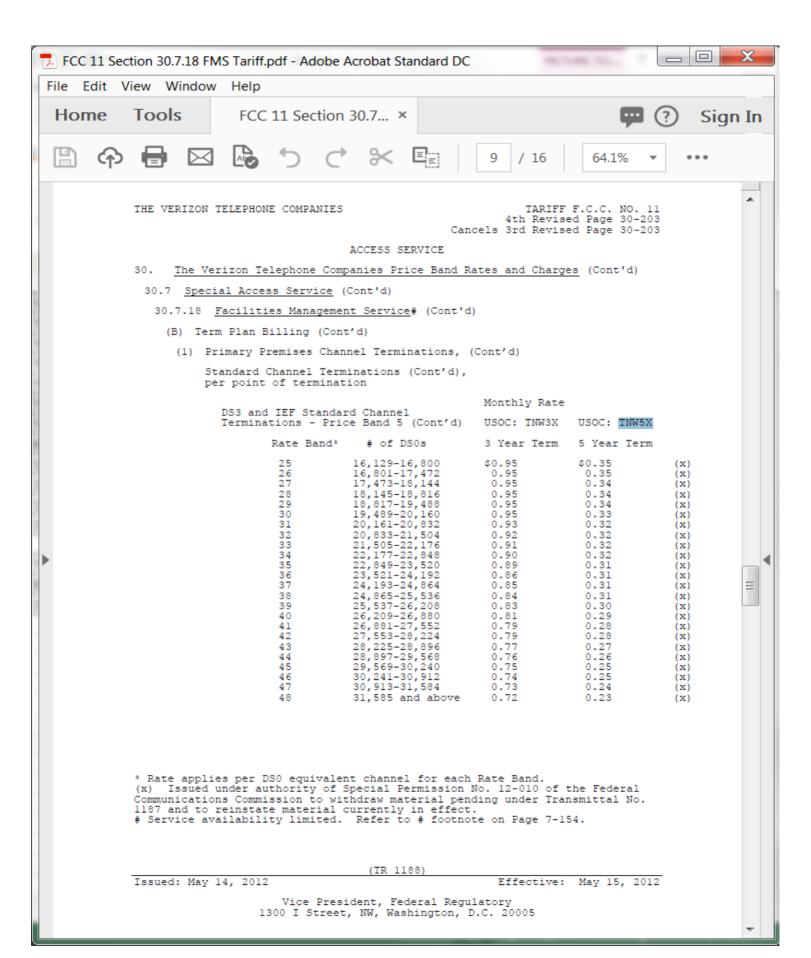


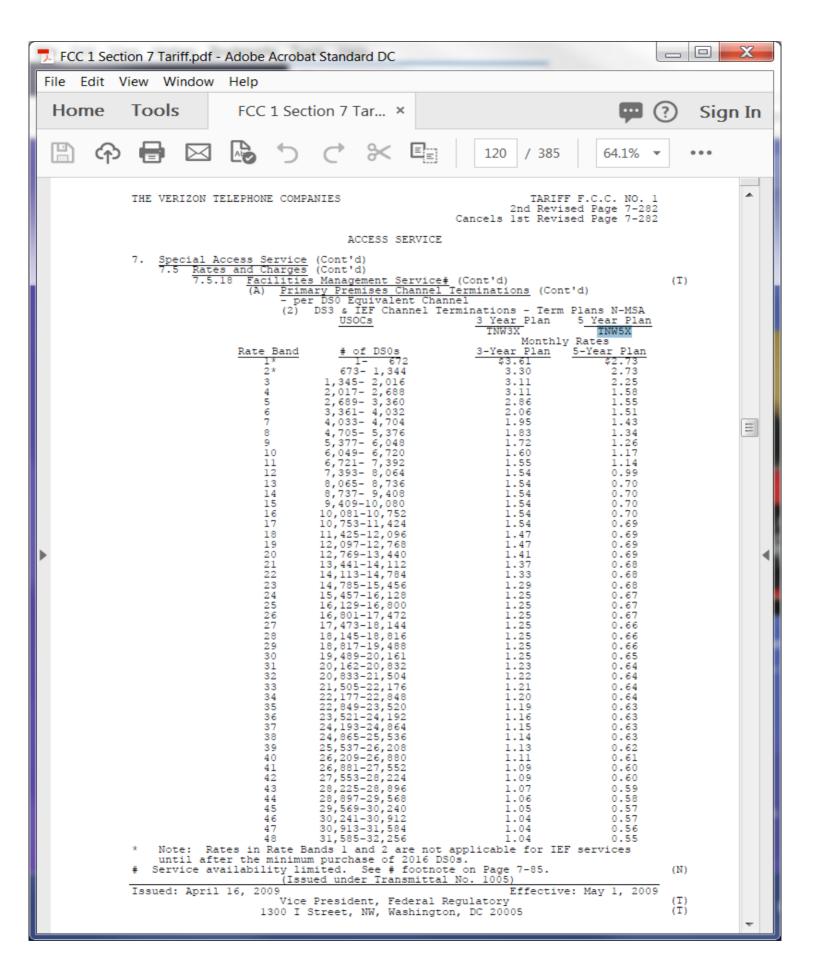
(TR 1188)

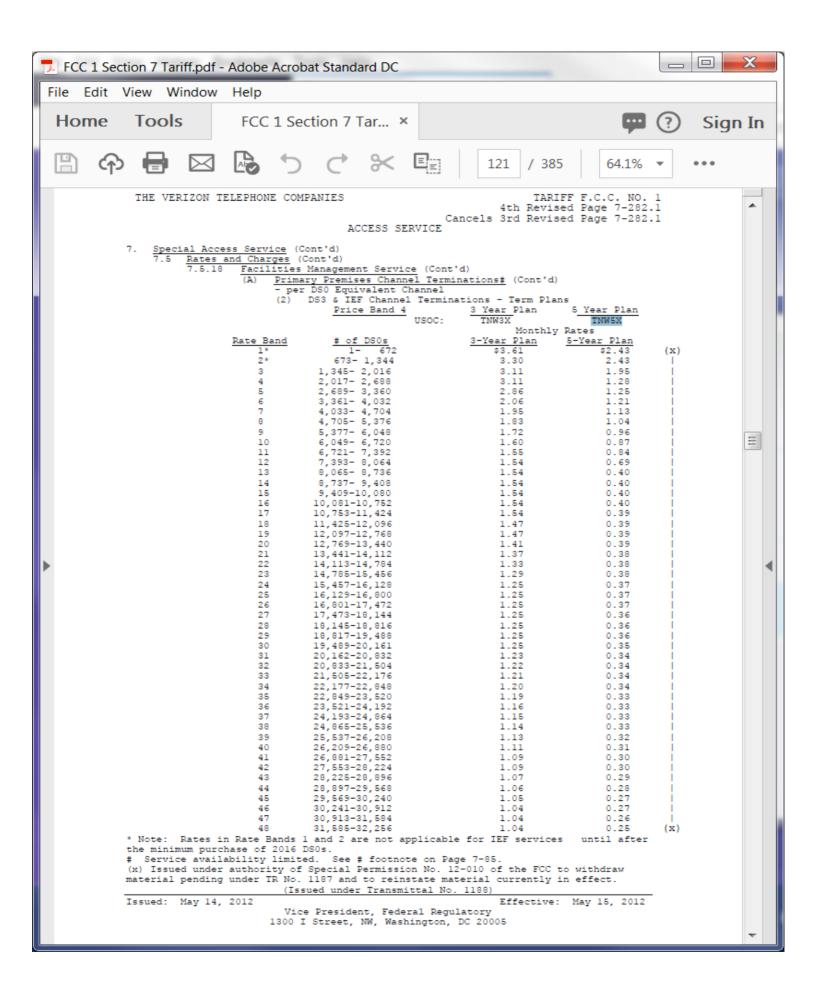
Issued: May 14, 2012 Effective: May 15, 2012

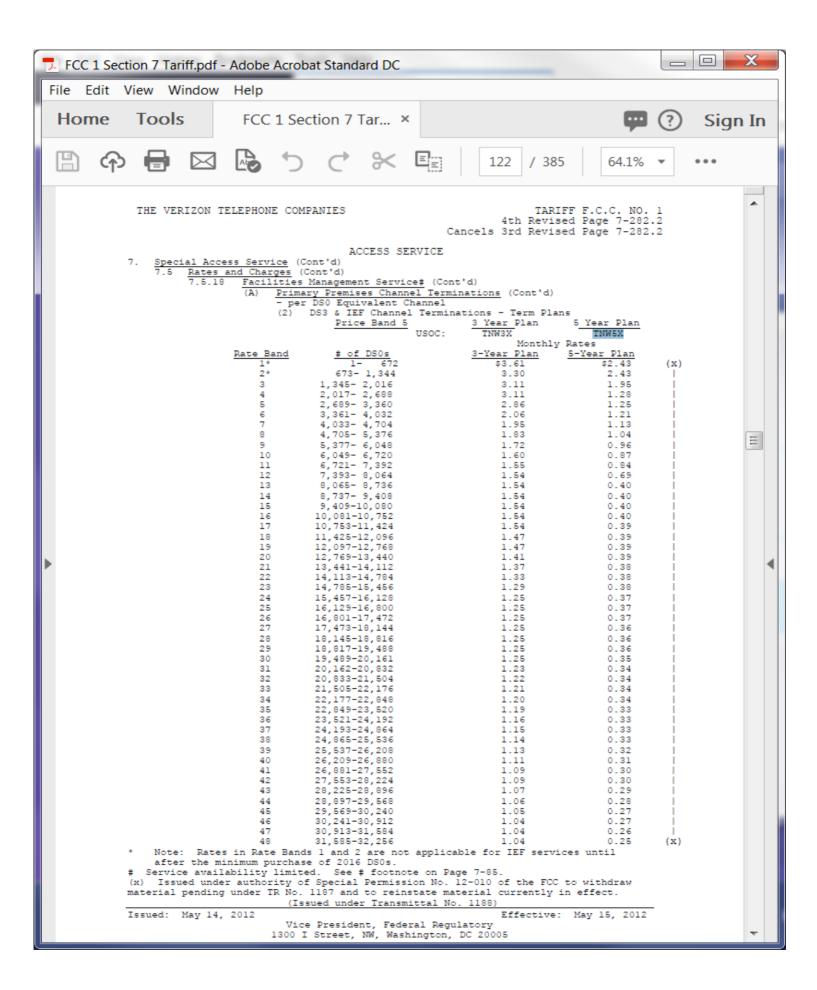
[#] Service availability limited. Refer to # footnote on Page 7-154. (x) Issued under authority of Special Permission No. 12-010 of the Federal Communications Commission to withdraw material pending under Transmittal No. 1187 and to reinstate material currently in effect.

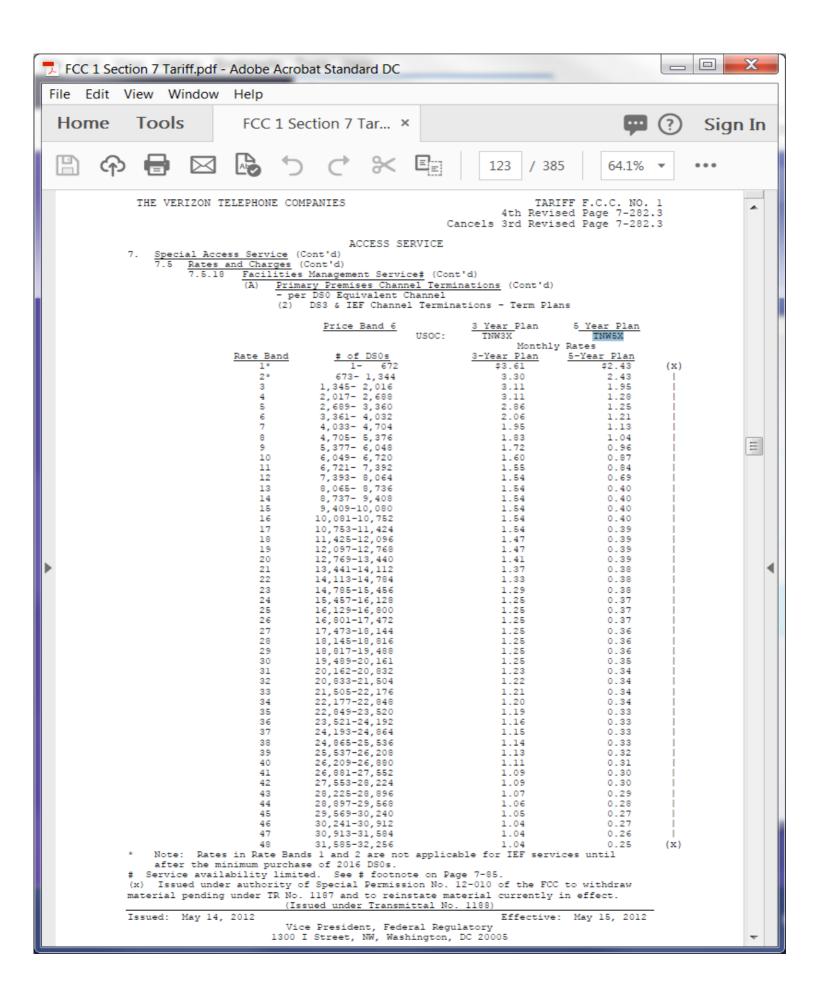
^{*} Rate applies per DSO equivalent channel for each Rate Band.

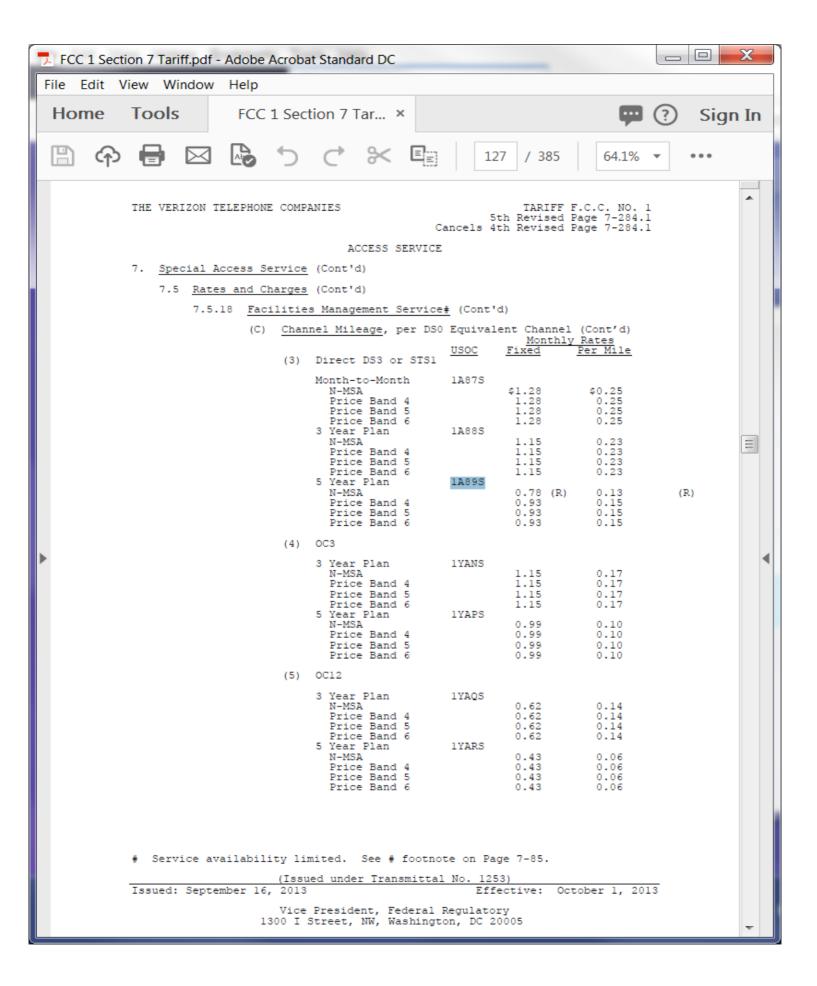


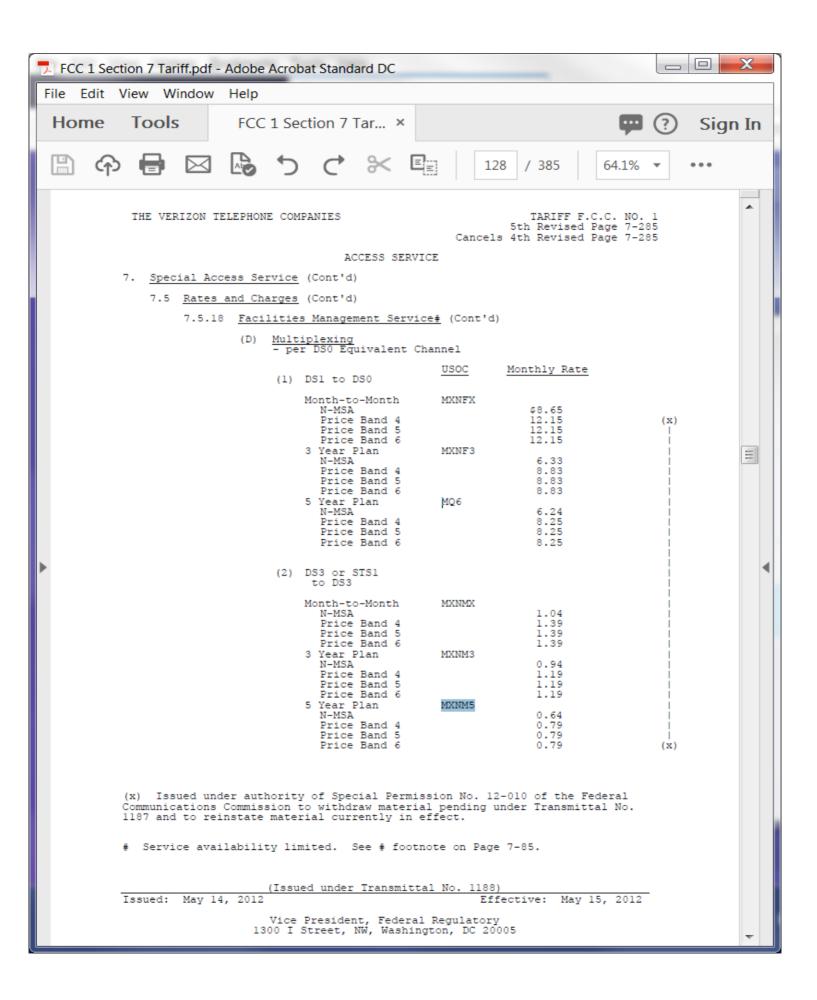


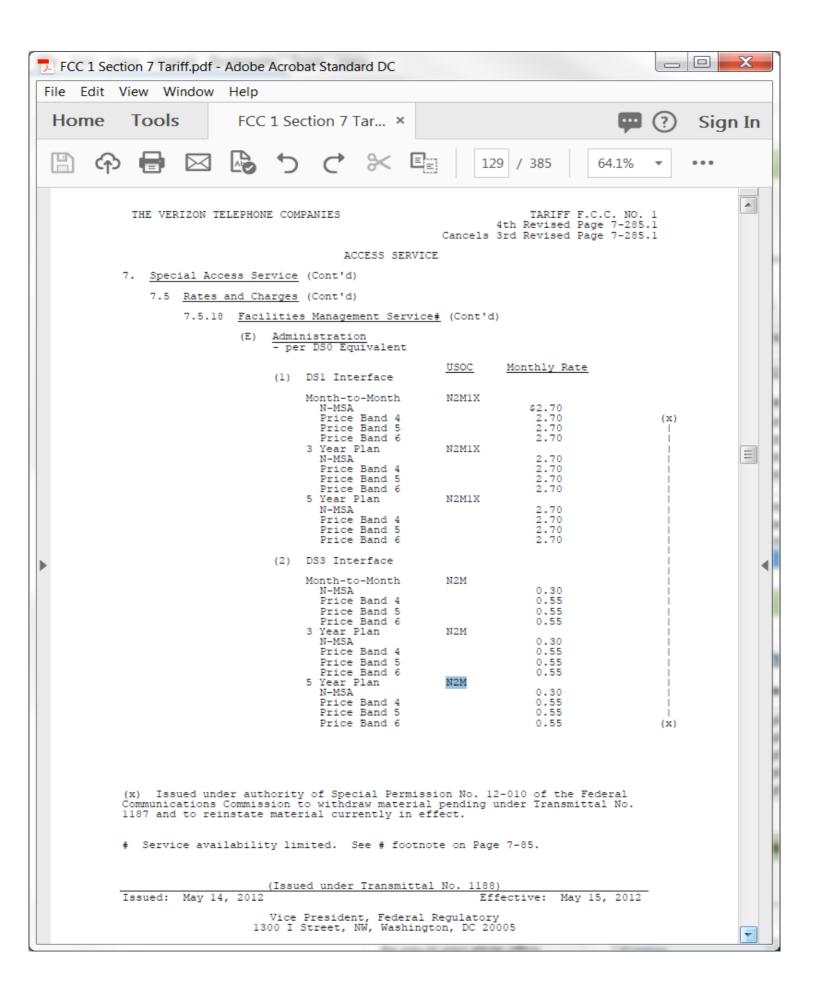












CERTIFICATE OF SERVICE

I hereby certify that on June 1, 2018, pursuant to the Protective Order and the May 18, 2018 Letter Order, I caused a copy of the foregoing Rebuttal to Sur-Reply, as well as all accompanying materials, to be served as indicated below to the following:

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Market Disputes Resolution Division
Enforcement Bureau
Federal Communication Commission
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Washington, D.C. 20554
(Original of the Public Version and Confidential version via Hand Delivery)

Lisa Saks
Assistant Division Chief
Market Disputes Resolution Division
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Federal Communication Commission
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Joshua D. Branson Kellogg Hansen P.L.L.C. 1615 M Street, N.W., Suite 400 Washington, D.C. 20036 (One copy of the Public Version and Confidential version via E-mail)

Date: June 1, 2018 Respectfully submitted,

Michael A. Sherling